As filed with the Securities and Exchange Commission on September 30, 2016.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

BlackLine, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	7372	46-3354276
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
(818) 223-9008
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Therese Tucker, Chief Executive Officer
Mark Partin, Chief Financial Officer
BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
(818) 223-9008
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jeffrey D. Saper, Esq. **Katharine A. Martin, Esq.** **Allison B. Spinner, Esq.** **Wilson Sonsini Goodrich & Rosati, P.C.** **650 Page Mill Road** **Palo Alto, CA 94304** **(650) 493-9300**	**Karole Morgan-Prager, Esq.** **Chief Legal Officer** **BlackLine, Inc.** **21300 Victory Boulevard, 12th Floor** **Woodland Hills, CA 91367** **(818) 223-9008**	**Steven B. Stokdyk, Esq.** **Latham & Watkins LLP** **355 South Grand Avenue** **Los Angeles, CA 90071** **(213) 485-1234**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.01 par value per share	$100,000,000	$10,070

(1) Includes the additional shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act, as amended.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated September 30, 2016.

Shares

BlackLine, Inc.

Common Stock

This is an initial public offering of shares of common stock of BlackLine, Inc.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We have applied to list the common stock on the NASDAQ Global Select Market under the symbol "BL".

Following this offering, our Principal Stockholders (as defined herein) will control more than a majority of the voting power of our common stock and we will be a "controlled company" within the meaning of the corporate governance rules of the NASDAQ Stock Market. We have elected not to take advantage of the "controlled company" exemption.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, may elect to comply with certain reduced public company reporting requirements in future reports after the completion of this offering.

See "Risk Factors" on page 18 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to BlackLine, Inc.	$	$

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from BlackLine, Inc. at the initial public offering price less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment in New York, New York on , 2016.

Goldman, Sachs & Co. **J.P. Morgan**

Pacific Crest Securities **Raymond James** **William Blair** **Baird**

a division of KeyBanc Capital Markets

Prospectus dated , 2016

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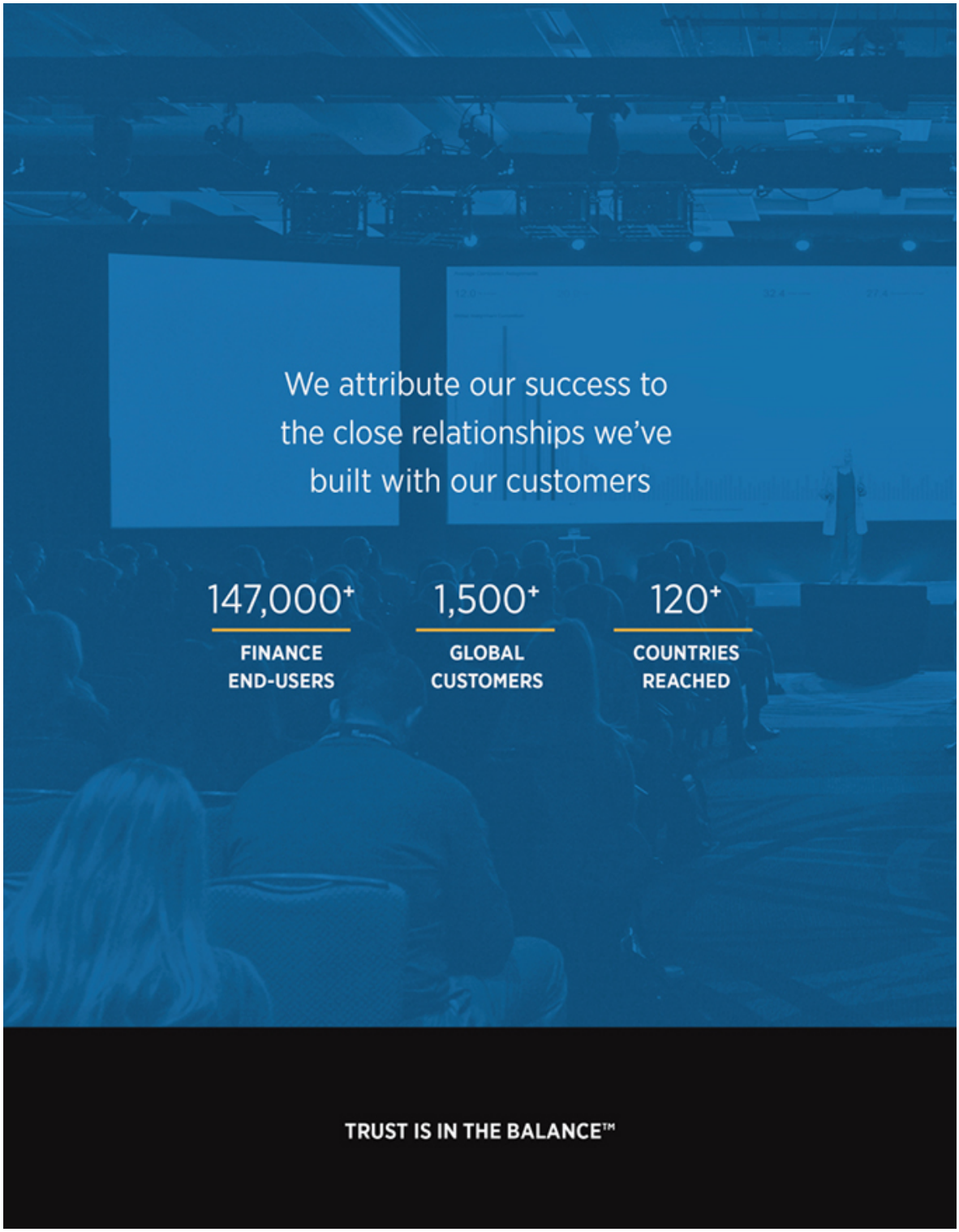

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Prospectus

Through and including , 2016 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit our initial public offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus. You should read the following summary together with the more detailed information appearing in this prospectus, including our consolidated financial statements and related notes, and the sections titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before deciding whether to purchase shares of our common stock. Unless the context otherwise requires, the terms "BlackLine, Inc.," "the company," "we," "us" and "our" in this prospectus refer to the consolidated operations of BlackLine, Inc. and its consolidated subsidiaries as a whole, references to "Silver Lake Sumeru" refers to either or both of Silver Lake Sumeru Fund, L.P. and Silver Lake Technology Investors Sumeru, L.P., and references to "Iconiq" refer to any or all of Iconiq Strategic Partners, L.P., ICONIQ Strategic Partners-B, L.P. and Iconiq Strategic Partners Co-Invest, L.P., BL Series.

BlackLine, Inc.

Overview

We have created a comprehensive cloud-based software platform designed to transform and modernize accounting and finance operations for organizations of all types and sizes. Our secure, scalable platform supports critical accounting processes such as the financial close, account reconciliation, intercompany accounting and controls assurance. By introducing software to automate these processes and to enable them to function continuously, we empower our customers to improve the integrity of their financial reporting, achieve efficiencies and enhance real-time visibility into their operations.

Critical accounting and finance processes underlie the integrity of an organization's financial reports. The lack of effective accounting and finance tools can result in inefficient and cumbersome processes and, in some cases, accounting errors, restatements and write-offs, as well as material weaknesses and significant deficiencies. Traditional enterprise resource planning, or ERP, systems do not generally provide effective solutions for processes handled outside of an organization's general ledger, such as balance sheet account reconciliation, intercompany transaction accounting and the broader financial close process. Many organizations also use multiple ERPs and other financial systems without a platform to efficiently integrate them. As a result, to manage these tasks organizations rely on spreadsheets and other labor-intensive processes that are unsuited for the increasing regulatory complexity and transaction volumes encountered by many modern businesses. We believe that we are creating a new category of powerful software that is capable of replacing this outdated approach through cloud-based automation and streamlining of accounting and finance operations, in a manner that complements and supports traditional ERP systems. We believe our customers benefit from cost savings through improvements in process management and staff productivity, in addition to a faster financial close.

Our mission is to transform how corporate accounting and finance departments operate. Our approach modernizes what historically has been done through batch processing and manual controls typically applied only during the month, quarter or year-end financial close, and delivers dynamic workflows embedded within a real-time, highly automated framework, a process we refer to as "continuous accounting." It also enables up-to-date analytics, provides industry-benchmarked metrics and is designed to help customers run more leanly while achieving greater accuracy, control and transparency. We believe the need for our software has been driven by growing business and information technology complexities, transaction volumes and expanding regulatory requirements. Our

software integrates with and obtains data from more than 30 different ERP systems, including NetSuite, Oracle, SAP and Workday, as well as many other financial systems and applications such as bank accounts, sub-ledgers and in-house databases.

We believe that we have a leading position in the enhanced financial controls and automation market because we were one of the first companies to bring software with this functionality to market and we have a limited number of competitors. The 2016 Gartner Report* identified us as a Leader in the newly created Magic Quadrant for Financial Corporate Performance Management Solutions for our completeness of vision and ability to execute. According to a study we commissioned with Frost & Sullivan, in 2015 there were more than 46,000 corporate organizations in North America and more than 165,000 worldwide that are in our addressable market with revenues greater than $50 million. According to Frost & Sullivan, these companies employ over 13 million accounting and finance personnel, with over 5.5 million in North America alone, all of whom could be potential users of our software platform. Based on its assessment of the number of corporate organizations, accounting and finance personnel globally and certain assumptions regarding pricing of our products, Frost & Sullivan estimates that our total addressable market in 2015 was $7.2 billion in North America and $9.4 billion in Europe, Asia Pacific and Latin America, and is expected to grow to a global total addressable market of $19.7 billion by 2018.

We sell our software solutions primarily through our direct sales force, which leverages our relationships with technology vendors, professional services firms and business process outsourcers, to expand our sales process and market reach. Our distribution strategy is based on a land-and-expand model and is designed to capitalize on the ease of use and ease of implementation. Our customers include large public and private organizations and small and medium-size businesses across a variety of industries, including healthcare, technology, telecom, financial services, consumer retail and industrial equipment and services. As of June 30, 2016, we had over 147,000 individual users in approximately 120 countries across more than 1,500 customers.

We have experienced significant revenue growth and adoption of our platform in recent periods. For the years ended December 31, 2014 and 2015, we had revenues of $51.7 million and $83.6 million, respectively, and we incurred net losses of $16.8 million and $24.7 million, respectively. For the six months ended June 30, 2015 and 2016, we had revenues of $37.5 million and $55.6 million, respectively, and we incurred net losses of $10.8 million and $16.9 million, respectively. See “Summary Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other information included in this prospectus for a discussion of our financial performance.

Industry Background

Accounting is a Universal and Mission-Critical Function

Organizations need reliable financial information to plan and execute business initiatives, measure operational progress and satisfy regulatory and financial obligations. For each period-end, enterprise accounting functions typically record, process, reconcile, consolidate and report financial transactions that are consolidated into useable financial information. Traditionally, many accounting processes, such as balance sheet account reconciliation, intercompany transaction accounting and the broader financial close calendar, have been managed and tracked with spreadsheets that were manually reconciled on a periodic basis, which can often be labor-intensive, inefficient and subject to error.

* See “Industry and Market Data.”

Modern Business is Increasingly Complex

Organizations of all sizes are operating in an increasingly fast-moving global business environment. Accountants must process and verify transactions that occur both within and across international borders, involve multiple currencies and require compliance with varying legal, regulatory and tax frameworks. It is common for enterprises to have thousands of different accounts—potentially comprising billions of records—and to use numerous different financial and operational systems to store data.

The Risk of Regulatory Non-Compliance is Significant

Public accounting follows a variety of rules and rigorous standards that are highly specific, apply differently across industries and geographies and, in some cases, provide conflicting guidance. The resulting tangle of stringent and changing regulations typically requires that organizations maintain more than one set of records, invest heavily in implementing and monitoring internal controls and undergo expensive and time-consuming audits. Incorrect financial information can have severe repercussions, ranging from damage to an enterprise's reputation to expensive remediation and investor lawsuits.

Companies Lack Real-Time, Actionable Data from Their Accounting Departments

As complexity, transaction volume and regulatory scrutiny increase, management teams often find themselves without clear and immediate insight into their accounting and finance processes and results. By the time data is manually compiled, it is often days or weeks out-of-date, limiting the ability to effectively track and analyze fluctuations and trends, detailed metrics on individual and team performance and transaction risk profiles. Such lack of visibility limits the ability of accounting managers to influence ongoing accounting operations, which can lead to costly errors such as unreconciled balances or unapproved fund transfers.

Accounting Professionals Face Compressed Deadlines and a Heightened Expectation of Accuracy

Many organizations, and public companies in particular, have adopted a practice of reporting financial information by a fixed date following their quarter close. Given limited resources, an accelerated timetable can put immense pressure on a company's accounting function. Accounting professionals are expected not only to address business and regulatory challenges but also to achieve completeness and accuracy of operating results to ensure financial integrity.

Traditional Accounting Processes and Tools are Inefficient

The processes and software solutions traditionally employed by accountants, such as general ledgers and ERP systems, do not provide effective solutions for critical, non-general ledger accounting and finance processes such as balance sheet account reconciliation, intercompany transaction accounting and the overall management of the financial close process. Most core accounting and financing systems are designed as batch transaction repositories without the ability to consume and process continuous streams of data. In addition, most organizations use multiple ERPs and many other financial systems across their information technology environments. Traditionally available accounting tools are inflexible, expensive to configure and maintain and do not scale easily. As a result, we are addressing a clear need for new, scalable accounting and finance tools that can consume and process continuous streams of data, store this data and allow accountants to have a more streamlined, continuous approach to accounting.

Our Solution

We provide a powerful, cloud-based software platform that is designed to automate and streamline accounting and finance operations. Key elements of our solution include:

Comprehensive Platform. We offer an integrated suite of applications that deliver a broad range of capabilities that would otherwise require the purchase and use of multiple products to support critical accounting processes such as the financial close, account reconciliations, intercompany accounting and controls assurance. Our platform consists of seven core cloud-based products, including Account Reconciliation, Task Management, Transaction Matching, Journal Entry, Variance Analysis, Consolidation Integrity Manager and Daily Reconciliation. Customers typically purchase these products in packages that we refer to as solutions, but they have the option to purchase these products individually. Current solutions include our Reconciliation Management and Financial Close Management, Intercompany Hub and Insights.

Enterprise Integration. Our platform integrates with a wide variety of general ledger systems, financial systems and in-house databases, customer applications and data, and over 30 ERP systems including NetSuite, Oracle, SAP and Workday. In addition, for companies with multiple systems and complex needs, we can connect with any number of general ledger systems simultaneously, resolving many of the issues associated with consolidating data across systems.

Independence. Our platform is not dependent on any single operating system and works with most major ERP systems our customers may use. Our cross-system functionality allows us to reach a broader group of customers.

Ease of Use. Our platform is designed by accountants for accountants to be intuitive and easy to use. Our user-friendly interface provides clear visualization of accounting and finance data, enables user collaboration and streamlines business processes.

Innovation. Our ability to develop innovative products has been a key driver of our success and organic growth. Through a history and culture of thought leadership, we have created a new category of powerful software that automates and streamlines antiquated, manual accounting processes to better meet our clients' diverse and rapidly changing needs, and we continue to focus on providing advanced solutions to time and labor intensive accounting practices. Examples of recent innovations include the launches of our Intercompany Hub and Insights solutions.

Security. We have embedded robust security features in our platform designed to meet or exceed both industry standards and the stringent security requirements of our customers.

Key Benefits to our Customers

Our platform provides the following benefits to our customers:

Flexibility and Scalability. Our unified cloud platform is designed for modern business environments and has broad applicability across large and small organizations in any industry. The platform supports complex corporate structures, provides integration across all core financial systems, manages multiple currencies and languages and scales to support high transaction volumes.

Embedded Controls and Workflow. Our platform embeds key controls within standardized, repeatable and well-documented workflows to help ensure compliance with complex regulatory environments and to increase confidence in financial reports.

Real-time Visibility. With configurable dashboards, user-defined reporting and the ability to locate individual reconciliations, journals and tasks, we provide users with real-time visibility into the status, progress and quality of accounting processes.

Automation and Efficiency. Our platform can ingest data from a variety of sources and apply powerful, rules-driven automation to reconciliations, journals and transactions. This streamlines accounting processes, minimizes manual data entry and improves individual productivity to help ensure that accounting processes are completed on time. As a result, this automation allows users to focus on value-added activities instead of process management.

Continuous Processing. Our platform helps organizations embed quality control, compliance and financial integrity into their day-to-day accounting processes. Activities such as account reconciliation and variance analysis can be performed in real-time, thus reducing the risk of error and creating a more agile accounting environment.

Growth Strategy

Our principal growth strategies include the following:

Continue to Innovate and Expand our Platform. Our ability to develop new, market-leading applications and functionalities is integral to our success, and we intend to continue extending the functionality and range of our applications to bring new solutions to accounting and finance.

Enhance Our Leadership Position in the Enterprise Market and Mid-Market Customer Base. We believe we have a leading position in the enhanced financial controls and automation market with both enterprise market and mid-market customers, and we were recognized as a Leader by the Gartner Report* in the newly created Magic Quadrant for Financial Corporate Performance Management Solutions for our completeness of vision and ability to execute. We intend to leverage our brand, history of innovation and customer focus to maintain and grow our leadership position with enterprise market customers, which we define as companies with greater than $500 million in annual revenue. In addition, we believe that mid-market businesses, which we define as companies with between $50 and $500 million in annual revenue, are particularly underserved and that our platform can help these businesses modernize their accounting and finance processes efficiently and effectively. We have made recent investments to grow our mid-market sales team, and we plan to leverage our network of resellers to grow our mid-market business globally.

Increase Customer Spend through Expanded Usage and Adoption of Additional Products. We pursue a land-and-expand sales model and believe there is significant opportunity to increase sales of our solutions within our existing customer base. Our pricing model is designed to allow us to capture additional revenue as our customers' usage of our platform grows, providing us with an opportunity to increase the lifetime value of our customer relationships.

Expand Our International Operations and Customer Footprint. We believe that we have a significant opportunity to expand the use of our cloud-based products outside the United States. We have an established presence in Australia, Canada, England, France, Germany, the Netherlands and Singapore and we intend to invest in further expanding our footprint in these and other regions.

Extend Our Relationships and Distribution Channels. We have established strong relationships with technology vendors such as SAP and NetSuite, professional services firms such as Deloitte & Touche and KPMG, and business process outsourcers such as Cognizant, Genpact and

* See "Industry and Market Data."

IBM. In particular, we offer our customers an integrated SAP-endorsed business solution through our relationship with SAP. We intend to continue to strengthen and expand our existing relationships, seek new relationships and further expand our distribution channels to help us expand into new markets and increase our presence in existing markets.

Recent Developments

On August 31, 2016, we completed our acquisition of Runbook Company B.V., a Netherlands-based provider of financial close automation software and integration solutions for SAP customers. We acquired Runbook to enhance the connectivity and integration of our platform to SAP and other systems. We believe this acquisition enhances our position as a leading provider of software solutions to automate the financial close process for SAP customers and supports our European expansion strategy.

The aggregate purchase consideration of $34 million for the Runbook acquisition, which is subject to final working capital adjustments, was paid in cash on the acquisition date. The estimated purchased working capital includes approximately $3 million in cash. We amended our credit facility to add an additional $30 million term loan and used the proceeds and cash on hand to fund the acquisition. The financial information in this prospectus does not give pro forma effect to the acquisition of Runbook. The acquisition did not meet the significance thresholds under the applicable SEC rules and regulations requiring pro forma financial information for the acquisition or separate financial statements of Runbook.

Risks Affecting Us

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. These risks include, but are not limited to, the following:

- if we are unable to attract new customers and expand sales to existing customers our business growth could be slower than we expect and our business may be harmed;
- our business and growth depend substantially on customers renewing their subscription agreements with us and any decline in our customer renewals could adversely affect our future operating results;
- we have a history of losses in recent periods and we may not be able to generate sufficient revenue to achieve or sustain profitability;
- we have experienced rapid growth and organizational change in recent periods and if we fail to manage our growth effectively, we may be unable to execute our business plan;
- if we are not able to provide successful enhancements, new features and modifications to our software solutions, our business could be adversely affected;
- we derive substantially all of our revenues from a limited number of software solutions, and our future growth is dependent on their success;
- if our relationships with technology vendors and business process outsourcers is not successful, our business and growth will be harmed;
- if our security controls are breached or unauthorized or inadvertent access to customer data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, and we may incur significant liabilities;

- interruptions or performance problems associated with our software solutions, platform and technology may adversely affect our business and operating results; and
- if our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle product liability claims.

Investment by Silver Lake Sumeru and Iconiq

We operated as BlackLine Systems, Inc., which we refer to as the "Predecessor," from 2001 until September 2013. On September 3, 2013, BlackLine, Inc., which we refer to as the "Successor," acquired BlackLine Systems, Inc. in connection with an investment by Silver Lake Sumeru and Iconiq, which we refer to as the "Acquisition." The Successor was created for the sole purpose of acquiring the Predecessor and had no prior operations. We refer to Silver Lake Sumeru and Iconiq collectively as our "Investors" and, in connection with the Acquisition, our Investors obtained a controlling interest in us.

After giving effect to this offering, our Investors will beneficially own approximately % of our issued and outstanding common stock or % of our issued and outstanding common stock (assuming full exercise of the underwriters' option to purchase additional shares). The majority of the remaining issued and outstanding common stock, after giving effect to this offering, will be beneficially owned by Therese Tucker, our Chief Executive Officer, and Mario Spanicciati, our Chief Strategy Officer. Therese Tucker and Mario Spanicciati will beneficially own approximately % and % of our issued and outstanding common stock, respectively, or % and % of our issued and outstanding common stock (assuming full exercise of the underwriters' option to purchase additional shares), respectively. We refer to our Investors, Therese Tucker and Mario Spanicciati collectively as our "Principal Stockholders."

Presentation of Our Financial Statements

The Acquisition was accounted for as a business combination under GAAP, which resulted in a change in accounting basis as of the date of the Acquisition. As a result, our consolidated financial statements for periods after September 3, 2013 are presented on a different basis than that for the periods before September 3, 2013, due to the application of purchase accounting as of September 3, 2013, and therefore are not comparable. We refer to the period from January 1, 2013 to September 2, 2013 as the 2013 Predecessor Period and the period from September 3, 2013 to December 31, 2013 as the 2013 Successor Period. Please refer to "Summary Consolidated Financial Data" on page 10 of this prospectus for further information.

Corporate Information

Our principal executive offices are located at 21300 Victory Boulevard, 12th Floor, Woodland Hills, CA 91367. The phone number of our principal executive offices is (818) 223-9008, and our main corporate website is www.blackline.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus or the registration statement of which this prospectus forms a part, and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase shares of our common stock.

The names "BlackLine," "BlackLine Systems," "Intercompany Hub," and our logo are our trademarks. This prospectus also contains trademarks and trade names of other businesses that are the property of their respective holders. We have omitted the ® and ™ designations, as applicable, for the trademarks we name in this prospectus.

THE OFFERING

Common stock offered by us	Shares
Common stock to be outstanding immediately after this offering	Shares
Option to purchase additional shares of common stock from us	Shares
Use of proceeds	The principal purposes of this offering are to obtain additional capital and increase our financial flexibility, create a public market for our stock and increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering to repay the entire outstanding balance under our credit facility and for general corporate purposes, including working capital, research and development activities, sales and marketing activities, general and administrative matters and capital expenditures and to fund our growth plans. As of June 30, 2016, the outstanding principal balance under our credit facility was approximately $35.7 million. On August 30, 2016, we amended our credit facility to add an additional $30 million term loan and used the proceeds and cash on hand to acquire Runbook. We may also, in our discretion, use a portion of the net proceeds for the acquisition of, or investment in, businesses, products, services or technologies that complement our business, although we have no current commitments or agreements to enter into any acquisitions or investments. See “Use of Proceeds.”
Risk factors	See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
Controlled company	Following this offering, our Principal Stockholders will control approximately % of the combined voting power of our common stock. As a result, we will be a “controlled company” within the meaning of the corporate governance rules of the NASDAQ Stock Market. We have elected not to take advantage of the “controlled company” exemption.
Proposed symbol	“BL”

The number of shares of our common stock that will be outstanding after this offering is based on 203,655,411 shares of our common stock outstanding as of June 30, 2016, and excludes:

- 29,570,809 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2016, with a weighted-average exercise price of $1.77 per share;
- 2,500,000 shares of our common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of June 30, 2016, with an exercise price of $1.00 per share;

- 36,704,125 shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,724,125 shares of common stock reserved for future awards under the 2014 Equity Incentive Plan, or our 2014 Plan, as of June 30, 2016 (which will terminate as of immediately prior to the effectiveness of our 2016 Plan (as described below) and no awards will be granted under our 2014 Plan thereafter) and (ii) 30,980,000 shares of common stock reserved for issuance under our 2016 Equity Incentive Plan, or our 2016 Plan, which will become effective one business day prior to the effective date of the registration statement of which this prospectus forms a part. Stock options to purchase an aggregate of 480,250 shares of our common stock, with an exercise price of $3.20 per share were granted after June 30, 2016 under our 2014 Plan. Any shares covering awards granted under our 2014 Plan that, on or after the termination of our 2014 Plan, expire or terminate without having been exercised in full or are forfeited to us, tendered to or withheld by us for the payment of an exercise price or for tax withholding, or repurchased by us due to failure to vest, will become available for issuance under our 2016 Plan, with the maximum number of shares to be added to our 2016 Plan from our 2014 Plan equal to 33,900,000 shares. Our 2016 Plan also provides for automatic annual increases in the number of shares reserved under our 2016 Plan, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans;” and
- 960,938 shares of our common stock sold to Runbook employees for $3.1 million in the aggregate in September 2016.

Except as otherwise indicated, all information in this prospectus assumes:

- a one-for- reverse split of our common stock to be effected prior to the effectiveness of the registration statement of which this prospectus forms a part;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- no exercise of outstanding options or warrants subsequent to June 30, 2016; and
- no exercise by the underwriters of their option to purchase up to an additional shares of our common stock from us.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. You should read this summary consolidated financial data together with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

On September 3, 2013, we acquired BlackLine Systems, Inc., which we refer to as the Acquisition. Prior to the Acquisition, we had no significant operations. As a result, the consolidated financial statements for the periods from January 1, 2013 to September 2, 2013 are presented as BlackLine Systems, Inc., which we refer to as the Predecessor, and all subsequent periods are presented as BlackLine, Inc., which we refer to as the Successor. The Successor financial statements reflect a new basis of accounting as a result of the Acquisition and therefore are not comparable to the Predecessor financial statements. We refer to the period from January 1, 2013 to September 2, 2013 as the 2013 Predecessor Period and the period from September 3, 2013 to December 31, 2013 as the 2013 Successor Period.

The consolidated statements of operations data for the 2013 Predecessor Period is derived from the audited consolidated financial statements of the Predecessor not included in this prospectus. The consolidated statements of operations data for the 2013 Successor Period and the consolidated balance sheet data as of December 31, 2013 are derived from the consolidated financial statements of the Successor not included in this prospectus. The consolidated statements of operations data for the years ended December 31, 2014 and 2015 and the consolidated balance sheet data as of December 31, 2014 and 2015 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the six months ended June 30, 2015 and 2016 and the consolidated balance sheet data as of June 30, 2016 are derived from the unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our unaudited interim condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of those unaudited condensed consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future.

Consolidated Statements of Operations Data:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
	(In thousands, except share and per share data)					
Revenues						
Subscription and support	$ 21,977	$ 7,723	$ 49,029	$ 80,080	$ 35,880	$ 52,977
Professional services	1,407	860	2,648	3,527	1,592	2,610
Total revenues	23,384	8,583	51,677	83,607	37,472	55,587
Cost of revenues						
Subscription and support	4,442	4,346	14,380	19,773	9,101	12,075
Professional services	1,145	499	2,218	2,956	1,338	1,928
Total cost of revenues(1)(2)	5,587	4,845	16,598	22,729	10,439	14,003
Gross profit	17,797	3,738	35,079	60,878	27,033	41,584
Operating expenses						
Sales and marketing(1)(2)	10,453	6,895	31,837	56,546	24,954	37,242
Research and development(1)	4,738	2,225	9,705	18,216	8,034	10,465
General and administrative(1)(2)(3)	6,978	2,827	11,716	20,928	9,052	11,935
Acquisition-related costs	5,586	1,634	—	—	—	—
Total operating expenses	27,755	13,581	53,258	95,690	42,040	59,642
Loss from operations	(9,958)	(9,843)	(18,179)	(34,812)	(15,007)	(18,058)
Other expense						
Interest expense, net	(22)	(781)	(3,047)	(3,215)	(1,644)	(1,840)
Change in fair value of the common stock warrant liability	—	—	(3,700)	(420)	(250)	300
Other expense, net	(22)	(781)	(6,747)	(3,635)	(1,894)	(1,540)
Loss before income taxes	(9,980)	(10,624)	(24,926)	(38,447)	(16,901)	(19,598)
Provision for (benefit from) income taxes	21	(3,954)	(8,174)	(13,713)	(6,109)	(2,722)
Net loss	$ (10,001)	$ (6,670)	$ (16,752)	$ (24,734)	$ (10,792)	$ (16,876)
Net loss per share, basic and diluted	$ (0.12)	$ (0.03)	$ (0.08)	$ (0.12)	$ (0.05)	$ (0.08)
Weighted average common shares outstanding, basic and diluted	82,250,000	200,094,118	200,445,411	202,895,292	202,486,866	203,535,687
Pro forma net loss per share, basic and diluted (unaudited)(4)				$		$
Pro forma weighted average common shares, basic and diluted (unaudited)						

(1) The following table presents the stock-based compensation expense included in each respective expense category:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
			(in thousands)			
Cost of revenues	$ 86	$ —	$ 249	$ 466	$ 225	$ 275
Sales and marketing	124	—	1,059	2,418	1,145	1,333
Research and development	330	—	229	588	260	334
General and administrative	360	—	480	2,025	680	1,232
	$ 900	$ —	$2,017	$5,497	$2,310	$3,174

(2) The following table presents the amortization of intangible assets included in each respective expense category:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
			(in thousands)			
Cost of revenues	$ —	$ 2,048	$ 6,139	$ 6,139	$ 3,069	$ 3,069
Sales and marketing	—	1,162	3,487	3,487	1,744	1,744
General and administrative	—	821	2,466	2,466	1,233	1,233
	$ —	$ 4,031	$12,092	$12,092	$ 6,046	$ 6,046

(3) General and administrative expenses include a decrease in fair value of contingent consideration of $781,000 for the year ended December 31, 2014, and increases in fair value of contingent consideration of $41,000, $26,000, and $143,000 for the year ended December 31, 2015 and six months ended June 30, 2015 and 2016, respectively.

(4) Pro forma basic and diluted net loss per share for the year ended December 31, 2015 and the six months ended June 30, 2016 has been computed to give effect to the issuance of and shares of common stock, respectively, that would have been required to be issued to repay the then outstanding credit facility balance, including the prepayment premium, assuming the issuance of such shares at the assumed initial public offering price of $ per share which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Also, the numerator in the pro forma basic and diluted net loss per share calculation for the year ended December 31, 2015 and the six months ended June 30, 2016 have been adjusted to reverse the interest expense on our credit facility, net of tax, of $2.1 million and $1.6 million, respectively. The pro forma net loss per share does not include the proceeds to be received from the assumed initial public offering, or shares expected to be sold in the initial public offering, except for those shares necessary to be issued to repay the credit facility.

Consolidated Balance Sheet Data:

	As of December 31,			As of June 30, 2016	
	2013	2014	2015	Actual	Pro Forma(1)
			(in thousands)		
Cash and cash equivalents	$ 14,855	$ 25,707	$ 15,205	$ 13,647	$
Total assets	275,025	285,550	286,750	282,798	
Deferred revenue	17,328	34,574	52,750	60,501	
Capital lease obligations, net of current portion	—	—	558	434	
Long-term debt	23,132	25,673	28,267	34,399	
Total stockholders' equity	193,852	183,947	166,168	152,812	

(1) The pro forma balance sheet gives effect to (i) the issuance of shares of our common stock in this offering, at an assumed initial public offering price of $ per share which is the midpoint of the estimated offering price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the use of proceeds from the offering to repay amounts outstanding under our credit facility at June 30, 2016, including prepayment premiums, each as if such events had occurred on June 30, 2016.

Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

	December 31,			June 30,	
	2013	2014	2015	2015	2016
Dollar-based net revenue retention rate	120%	118%	120%	120%	119%
Number of customers (as of end of period)	738	987	1,338	1,145	1,523
Number of users (as of end of period)	67,387	93,665	128,726	111,383	147,466

Dollar-based net revenue retention rate. We believe that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and our ability to retain and grow our relationships with existing customers over time. We calculate dollar-based net revenue retention rate as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one year period but does include the effect of customers who terminated during the period. We define implied monthly subscription and support revenue as the total amount of minimum subscription and support revenue contractually committed to, under each of our customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement.

Number of customers. We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has

multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the 2013 Predecessor Period, the 2013 Successor Period, the years ended December 31, 2014 and 2015 and the six months ended June 30, 2015 and 2016, no single customer accounted for more than 10% of our total revenues.

Number of users. Since our customers generally pay fees based on the number of users of our platform within their organization, we believe the total number of users is an indicator of the growth of our business.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the non-GAAP measures below are useful to us and our investors in evaluating our business. These non-GAAP financial measures are useful because they provide consistency and comparability with our past performance, facilitate period-to-period comparisons of operations and facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

	Year Ended December 31,			Six Months Ended June 30,	
	2013	2014	2015	2015	2016
	(in thousands, except percentages)				
Non-GAAP Revenues	$38,012	$56,629	$ 83,607	$37,472	$ 55,587
Non-GAAP Gross Profit	$29,714	$46,419	$ 67,483	$30,327	$ 44,928
Non-GAAP Gross Margin	78.2%	82.0%	80.7%	80.9%	80.8%
Non-GAAP Net Loss	$ (1,604)	$ (2,550)	$(20,114)	$ (8,059)	$(10,424)

Non-GAAP Revenues. We define non-GAAP revenues as our GAAP revenues adjusted for the impact of purchase accounting resulting from the Acquisition. Upon the Acquisition, deferred revenue at the Acquisition date was recorded at fair value, resulting in a reduction from its then carrying value. This reduction resulted in reduced revenue in the 2013 Successor Period and for the year ended December 31, 2014. Our non-GAAP revenues for the year ended December 31, 2013 combines the GAAP revenues for the 2013 Predecessor Period and the 2013 Successor Period adjusted for by the purchase accounting adjustment. We believe that presenting non-GAAP revenues is useful to investors as it more fully reflects our core revenue growth rate during 2013 and 2014 and allows a direct comparison of revenues between periods. The purchase accounting adjustments to revenues related to the Acquisition did not affect our revenues for the year ended December 31, 2015 and will not affect our revenues for future periods.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. We define non-GAAP gross profit as our non-GAAP revenues less our GAAP cost of revenue adjusted for the amortization of acquired developed technology resulting from the Acquisition and stock-based compensation. We define non-GAAP gross margin as our non-GAAP gross profit divided by our non-GAAP revenues. We believe that presenting non-GAAP gross margin is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison of gross margin between periods.

Non-GAAP Net Loss. We define non-GAAP net loss as our GAAP net loss adjusted for the impact of the benefit from income taxes, stock-based compensation, amortization of acquired

intangible assets resulting from the Acquisition, accretion of debt discount pertaining to our term loan we entered into under our credit facility in September 2013, or the 2013 Term Loan, accretion of warrant discount relating to warrants issued in connection with our 2013 Term Loan, the adjustment to revenues for the impact of purchase accounting resulting from the Acquisition, the change in the fair value of contingent consideration, the change in fair value of the common stock warrant liability, Acquisition-related costs and one-time cash payments to stock option holders.

The benefit from income taxes excluded from our GAAP net loss represents domestic state and federal tax benefits that we were able to recognize as a result of the deferred tax liabilities associated with the intangible assets established upon the Acquisition. During 2016, our cumulative deferred tax assets, which comprise primarily of net operating losses, are expected to exceed our deferred tax liabilities, and because of our recent history of operating losses we believe that the realization of the deferred tax assets is not more likely than not. Accordingly, we have established a valuation allowance against our deferred tax assets. For 2016 we will no longer be able to fully recognize a tax benefit, which will result in a lower effective income tax benefit than for the years ended December 31, 2014 and 2015. Accordingly, we believe that presenting non-GAAP net loss without this income tax benefit is useful to investors to enhance comparability of our results among periods. We have not excluded income tax expense relating to our international operations as we expect that this will continue to be reflected in our future statements of operations.

We have excluded the effect of stock-based compensation expense in calculating our non-GAAP net loss. Although stock-based compensation is a key incentive offered to our employees, we continue to evaluate our performance excluding stock-based compensation expense. We record stock-based compensation expense related to grants of options and, depending on the size, timing, and the terms of the grants, stock-based compensation expense may vary significantly.

Amortization of intangibles includes the amortization expense associated with the developed technology, trademarks, non-compete agreements, and customer relationships that were capitalized as a result of the Acquisition. These amortization expenses would not have been incurred absent the Acquisition and are excluded from GAAP net loss to enhance comparability to competitors that did not undergo a similar transaction or recognize similar intangible assets.

We incurred additional indebtedness to fund the Acquisition, and this indebtedness gave rise to debt and warrant discounts that we accrete through interest expense. The accretion of debt and warrant discounts were excluded from GAAP net loss as these costs would not have been incurred without the Acquisition. The accretion of debt discounts for financing transactions not used to fund the Acquisition were not included in the reconciliation to non-GAAP net income (loss) as these financings were used to finance general corporate matters.

The purchase accounting adjustment to revenue impacted the 2013 and 2014 periods, and, as a result, these amounts have been excluded from GAAP loss to enhance comparability to other periods presented.

Contingent consideration represents the cash consideration required to be paid to certain equity holders if we realize a tax benefit from the net operating losses generated from stock options exercised concurrent with the Acquisition. Changes in the fair value of contingent consideration liability primarily reflects changes in the expected timing of our ability to utilize the net operating losses. This liability would not exist had the Acquisition not occurred and thus we exclude changes in the fair value of contingent consideration from our GAAP net loss.

Common stock warrants were issued in conjunction with debt used to fund the Acquisition and the value of these warrants is impacted by a number of factors not directly attributable to our financial performance, including factors affecting our stock price and the volatility of peer companies' stock price. Accordingly, for our internal financial measures we exclude the change in the fair value of common stock warrants from our GAAP net loss.

Both acquisition-related costs as well as compensation costs for payments to stock option holders were a direct result of Acquisition and due to the fact they have not recurred in the subsequent periods presented, we have excluded them from GAAP net loss for the 2013 period to enhance comparability of our results between periods.

We believe that presenting non-GAAP net loss is useful to investors as it eliminates the impact of items that have been impacted by the Acquisition, purchase accounting and other related costs in order to allow a direct comparison of net loss between all periods presented.

Our non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. First, non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss are not substitutes for revenue, gross profit, gross margin and net loss, respectively. Second, these non-GAAP financial measures may not provide information directly comparable to measures provided by other companies in our industry, as those other companies may calculate their non-GAAP financial measures differently, particularly related to adjustments for acquisition accounting and non-recurring expenses. Third, these non-GAAP measures exclude certain recurring expenses that have been and will continue to be significant expenses of our business.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of revenues, gross profit, gross margin and net loss, the most comparable GAAP measures, to non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31,			Six Months Ended June 30,	
			2013 Combined	2014	2015	2015	2016
	(in thousands, except percentages)						
Non-GAAP Revenues:							
Revenues	$ 23,384	$ 8,583	$ 31,967	$ 51,677	$ 83,607	$ 37,472	$ 55,587
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Total Non-GAAP Revenues	$ 23,384	$ 14,628	$ 38,012	$ 56,629	$ 83,607	$ 37,472	$ 55,587
Non-GAAP Gross Profit:							
Gross Profit	$ 17,797	$ 3,738	$ 21,535	$ 35,079	$ 60,878	$ 27,033	$ 41,584
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Amortization of developed technology	—	2,048	2,048	6,139	6,139	3,069	3,069
Stock-based compensation expense	86	—	86	249	466	225	275
Total Non-GAAP Gross Profit	$ 17,883	$ 11,831	$ 29,714	$ 46,419	$ 67,483	$ 30,327	$ 44,928
Gross Margin	76.1%	43.6%	67.4%	67.9%	72.8%	72.1%	74.8%
Non-GAAP Gross Margin	76.5%	80.9%	78.2%	82.0%	80.7%	80.9%	80.8%
Non-GAAP Net Loss:							
Net Loss	$ (10,001)	$ (6,670)	$ (16,671)	$(16,752)	$(24,734)	$ (10,792)	$ (16,876)
Benefit from income taxes	—	(3,972)	(3,972)	(8,282)	(13,934)	(6,151)	(2,895)
Stock-based compensation expense	900	—	900	2,017	5,497	2,310	3,174
Amortization of acquired intangible assets	—	4,031	4,031	12,092	12,092	6,046	6,046
Accretion of debt discount	—	57	57	228	228	114	146
Accretion of warrant discount	—	74	74	276	276	138	138
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Change in fair value of contingent consideration	—	—	—	(781)	41	26	143
Change in fair value of common stock warrant liability	—	—	—	3,700	420	250	(300)
Acquisition-related costs	5,586	1,634	7,220	—	—	—	—
Compensation costs for payments to stock option holders in association with the Acquisition	712	—	712	—	—	—	—
Total Non-GAAP Net Loss	$ (2,803)	$ 1,199	$ (1,604)	$ (2,550)	$(20,114)	$ (8,059)	$ (10,424)

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks, together with all of the other information contained in this prospectus, including our financial statements and related notes, before making a decision to invest in our common stock. Any of the following risks could have a material adverse effect on our business, operating results, and financial condition and could cause the trading price of our common stock to decline, which would cause you to lose all or part of your investment.

Risks Related to Our Business

If we are unable to attract new customers and expand sales to existing customers, our business growth could be slower than we expect and our business may be harmed.

Our future growth depends in part upon increasing our customer base. Our ability to achieve significant growth in revenues in the future will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We may have difficulty attracting a potential client that has already invested substantial personnel and financial resources to integrate on-premise software into its business, as such organizations may be reluctant or unwilling to invest in a new product. If we fail to attract new customers or maintain and expand those customer relationships, our revenues will grow more slowly than expected and our business will be harmed.

Our future growth also depends upon our ability to add users and sell additional products to our existing customers. It is important for the future growth of our business that our existing customers make additional significant purchases of our products and add additional users to our platform. Our business also depends on retaining existing customers. If we do not retain customers, our customers do not purchase additional products or we do not add additional users to our platform, our revenues may grow more slowly than expected, may not grow at all or may decline. Additionally, increasing incremental sales to our current customer base may require additional sales efforts that are targeted at senior management. There can be no assurance that our efforts would result in increased sales to existing customers or additional revenues.

Our business and growth depend substantially on customers renewing their subscription agreements with us and any decline in our customer renewals could adversely affect our future operating results.

Our initial subscription period for the majority of our customers is one year. In order for us to continue to increase our revenue, it is important that our existing customers renew their subscription agreements when the initial contract term expires. Although our agreements typically include automatic renewal language, our customers may cancel their agreements at the expiration of the initial term. In addition, our customers may renew for fewer users, renew for shorter contract lengths or renew for fewer products or solutions. Our customers' renewal rates may decline or fluctuate as a result of a variety of factors, including their satisfaction or dissatisfaction with our software or professional services, our pricing or pricing structure, the pricing or capabilities of products or services offered by our competitors, the effects of economic conditions or reductions in our customers' spending levels. As the markets for our existing solutions mature, or as current and future competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are profitable to us. If this were to occur, it is possible that we would have to change our pricing model, offer price incentives or reduce our prices. If our customers do not renew their agreements with us or renew on terms less favorable to us, our revenues may decline.

We have a history of losses in recent periods and we may not be able to generate sufficient revenue to achieve or sustain profitability.

We have incurred net losses in recent periods, including $16.8 million for the year ended December 31, 2014, $24.7 million for the year ended December 31, 2015 and $16.9 million for the six months ended June 30, 2016. We had an accumulated deficit of $65.1 million at June 30, 2016. We may not be able to generate sufficient revenue to achieve and sustain profitability. We also expect our costs to increase in future periods as we continue to expend substantial financial and other resources on:

- development of our cloud-based platform, including investments in research and development, product innovation to expand the features and functionality of our software solutions and improvements to the scalability and security of our platform;
- sales and marketing, including expansion of our direct sales force and our relationships with technology vendors, professional services firms, business process outsourcers and resellers;
- additional international expansion in an effort to increase our customer base and sales; and
- general administration, including legal, accounting and other expenses related to being a public company.

These investments may not result in increased revenue or growth of our business. If we fail to continue to grow our revenue, we may not achieve or sustain profitability.

We have experienced rapid growth and organizational change in recent periods and if we fail to manage our growth effectively, we may be unable to execute our business plan.

We increased our number of full-time employees from 183 as of December 31, 2013 to 490 as of June 30, 2016 as we have experienced growth in number of customers and expanded our operations. Our growth has placed, and may continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our headcount and operations both domestically and internationally, with no assurance that our business or revenue will continue to grow. Continuing to create a global organization and managing a geographically dispersed workforce will require substantial management effort, the allocation of valuable management resources and significant additional investment in our infrastructure. We will be required to continually improve our operational, financial and management controls and our reporting procedures and we may not be able to do so effectively, which could negatively affect our results of operations and overall business. In addition, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross margins or operating expenses in any particular quarter. Moreover, if we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our software solutions may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers.

Our quarterly results may fluctuate, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.

Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly financial results fall below the expectations of investors or any securities analysts who may follow our stock, the price of our common stock could decline substantially. Some of the important factors that may cause our revenue, operating results and cash flows to fluctuate from quarter to quarter include:

- our ability to attract new customers and retain and increase sales to existing customers;
- the number of new employees added;
- the rate of expansion and productivity of our sales force;

- changes in our or our competitors' pricing policies;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;
- new products, features or functionalities introduced by us and our competitors;
- significant security breaches, technical difficulties or interruptions to our platform;
- the timing of customer payments and payment defaults by customers;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional products or services, delay a prospective customer's purchasing decision or affect customer retention;
- changes in foreign currency exchange rates;
- the impact of new accounting pronouncements; and
- the timing and the amount of grants or vesting of equity awards to employees.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our revenue, operating results, and cash flows to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenue, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

If we are not able to provide successful enhancements, new features or modifications to our software solutions, our business could be adversely affected.

If we are unable to provide enhancements and new features for our existing solutions or new solutions that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. The success of enhancements, new products and solutions depends on several factors, including timely completion, introduction and market acceptance. We must continue to meet changing expectations and requirements of our customers and, because our platform is designed to operate on a variety of systems, we will need to continuously modify and enhance our solutions to keep pace with changes in Internet-related hardware and other software, communication, browser and database technologies. Our platform is also designed to integrate with existing enterprise resource planning, or ERP, systems such as NetSuite, Oracle, SAP and Workday, and will require modifications and enhancements as these systems change over time. Any failure of our solutions to operate effectively with future platforms and technologies could reduce the demand for our solutions or result in customer dissatisfaction. Furthermore, uncertainties about the timing and nature of new solutions or technologies, or modifications to existing solutions or technologies, could increase our research and development expenses. If we are not successful in developing modifications and enhancements to our solutions or if we fail to bring them to market in a timely fashion, our solutions may become less marketable, less competitive or obsolete, our revenue growth may be significantly impaired and our business could be adversely affected.

We derive substantially all of our revenues from a limited number of software solutions, and our future growth is dependent on their success.

We currently derive and expect to continue to derive substantially all of our revenues from our Financial Close Management and Reconciliation Management solutions. As such, the continued growth in market demand for these solutions is critical to our continued success. We have recently introduced two new software solutions, Intercompany Hub and Insights, but cannot be certain that they will generate significant revenues. In addition, those solutions are designed to be used with our Financial Close Management and Reconciliation Management solutions and will not be sold independently. Accordingly, our business and financial results will be substantially dependent on a limited number of solutions.

If our relationships with technology vendors and business process outsourcers are not successful, our business and growth will be harmed.

We depend on, and anticipate that we will continue to depend on, various strategic relationships in order to sustain and grow our business. We have established strong relationships with technology vendors such as SAP and Netsuite to market our solutions to users of their ERP solutions, and professional services firms such as Deloitte & Touche and KPMG, and business process outsourcers such as Cognizant, Genpact and IBM to supplement delivery and implementation of our applications. We believe these relationships enable us to effectively market our solutions by offering a complementary suite of services. In particular, we have a strategic relationship with SAP to market our solution to users of SAP's ERP solutions. Our solution is an SAP endorsed business solution that integrates with SAP's ERP solutions. Under our agreement with SAP, which we entered into in 2013, we pay SAP a fee based on a percentage of revenues from our new customers that use an SAP ERP system. We continue to pay SAP a fee for these customers over the term of their subscription agreements. For the six months ended June 30, 2016, revenues from our customers that use an SAP ERP solution accounted for $8.8 million, or approximately 16%, of our total revenues. For the year ended December 31, 2015, revenues from our customers under this agreement accounted for $9.4 million, or approximately 11%, of our total revenues. If we are unsuccessful in maintaining our relationship with SAP, or if we are unsuccessful in supporting or expanding our relationships with other companies, our business would be adversely affected.

Identifying, negotiating and documenting relationships with other companies require significant time and resources. Our agreements with technology vendors are typically limited in duration, non-exclusive, cancellable upon notice and do not prohibit the counterparties from working with our competitors or from offering competing services. For example, our agreement with SAP can be terminated by either party upon six months' notice and there is no assurance that our relationship with SAP will continue. If we are no longer an SAP-endorsed business solution, our business could be adversely affected. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our platform. If we are unsuccessful in establishing or maintaining our relationships, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results would suffer. Even if we are successful, we cannot assure you that these relationships will result in improved operating results.

If our security controls are breached or unauthorized or inadvertent access to customer data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, and we may incur significant liabilities.

Use of our platform involves the storage, transmission and processing of our customers' proprietary data, including highly confidential financial information regarding their business and personal or identifying information regarding their customers or employees. Our platform is at risk for breaches as a result of third-party action, employee, vendor or contractor error, malfeasance or other factors. If any unauthorized or inadvertent access to or a security breach of our platform occurs, or is believed to occur, such an event could result in the loss of data, loss of business, severe reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach or penalties for violation of applicable laws or regulations. Security breaches could also result in significant costs for remediation that may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other liabilities.

We incur significant expenses to prevent security breaches, including deploying additional personnel and protection technologies, training employees, and engaging third-party experts and contractors. If a high profile security breach occurs with respect to another provider of software as a service, or SaaS, our clients and potential clients may lose trust in the security of our platform or in the

SaaS business model generally, which could adversely impact our ability to retain existing clients or attract new ones. Even in the absence of any security breach, customer concerns about security, privacy, or data protection may deter them from using our platform for activities that involve personal or other sensitive information. Our errors and omissions insurance policies covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all.

Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period.

Because data security is a critical competitive factor in our industry, we make numerous statements in our privacy policy and customer agreements, through our certifications to privacy standards and in our marketing materials, providing assurances about the security of our platform including detailed descriptions of security measures we employ. Should any of these statements be untrue or become untrue, even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U.S. Federal Trade Commission, state and foreign regulators and private litigants. Our errors and omissions insurance coverage covering security and privacy damages and claim expenses may not be sufficient to compensate for all liability.

Interruptions or performance problems associated with our software solutions, platform and technology may adversely affect our business and operating results.

Our continued growth depends in part on the ability of our existing and potential customers to access our platform at any time. Our platform is proprietary, and we rely on the expertise of members of our engineering, operations and software development teams for its continued performance. We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, denial of service attacks or other security related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Because of the seasonal nature of financial close activities, increasing complexity of our platform and expanding user population, it may become difficult to accurately predict and timely address performance and capacity needs during peak load times. If our platform is unavailable or if our users are unable to access it within a reasonable amount of time or at all, our business would be harmed. In addition, our infrastructure does not currently include the real-time mirroring of data. Therefore, in the event of any of the factors described above, or other failures of our infrastructure, customer data may be permanently lost. Our customer agreements typically include performance guarantees and service level standards that obligate us to provide credits in the event of a significant disruption in our platform. To the extent that we do not effectively address capacity constraints, upgrade our systems and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected.

If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle product liability claims.

Complex software such as ours often contains errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal and third-party testing and

testing by our customers, our current and future software may contain serious defects, which could result in lost revenue or a delay in market acceptance.

Since our customers use our platform for critical business functions such as assisting in the financial close or account reconciliation process, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to product liability claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a product liability claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products.

We depend on our executive officers and other key employees and the loss of one or more of these employees or an inability to attract and retain highly-skilled employees could adversely affect our business.

Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team in the areas of research and development, operations, security, marketing, sales and general and administrative functions. In particular, our founder and Chief Executive Officer provides our strategic direction and has built and maintained what we believe is an attractive workplace culture. Any failure to preserve our culture could negatively affect our ability to recruit and retain personnel. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. Key members of our current management and finance teams have only been working together for a relatively short period of time. If we are not successful in integrating these key employees into our organization, such failure could disrupt our business operations. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees, especially our founder and Chief Executive Officer, could have an adverse effect on our business.

In addition, to execute our growth plan, we must attract and retain highly-qualified personnel. Competition for personnel is intense, especially for engineers experienced in designing and developing software applications and experienced sales professionals. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. Likewise, if competitors hire our employees, we may divert time and resources to deterring any breach by our former employees or their new employers of their legal obligations. Given the competitive nature of our industry, we have both received and asserted such claims in the past. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to recruit and retain highly-skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected.

If our industry does not continue to develop as we anticipate or if potential customers do not continue to adopt our platform, our sales would not grow as quickly as expected, or at all, and our business and operating results and financial condition would be adversely affected.

We operate in a rapidly evolving industry focused on modernizing financial and accounting operations. Our solutions are relatively new and have been developed to respond to an increasingly

global and complex business environment with more rigorous regulatory standards. If organizations do not increasingly allocate their budgets to financial automation software as we expect or if we do not succeed in convincing potential customers that our platform should be an integral part of their overall approach to their accounting processes, our sales may not grow as quickly as anticipated, or at all. Our business is substantially dependent on enterprises recognizing that accounting errors and inefficiencies are pervasive and are not effectively addressed by legacy solutions. Future deterioration in general economic conditions may also cause our customers to cut their overall information technology spending, and such cuts may disproportionately affect software solutions like ours to the extent customers view our solutions as discretionary. If our revenue does not increase for any of these reasons, or any other reason, our business, financial condition and operating results may be materially adversely affected.

The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The market for accounting and financial software and services is highly competitive and rapidly evolving. Our competitors vary in size and in the breadth and scope of the products and services they offer. We often compete with other vendors of financial automation software such as Trintech. We also compete with large, well-established, enterprise application software vendors, such as Oracle, whose Hyperion software contains components that compete with our platform. In the future, a competitor offering ERP software could include a free service similar to ours as part of its standard offerings or may offer a free standalone version of a service similar to ours. Further, other established software vendors not currently focused on accounting and finance software and services may expand their services to compete with us.

Our competitors may have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets and significantly greater resources than we do. They may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. In addition, some of our competitors have partnered with, or have acquired, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes, or would make, it more difficult to compete with them.

With the introduction of new technologies, the evolution of our platform and new market entrants, we expect competition to intensify in the future. Increased competition generally could result in reduced sales, reduced margins, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could harm our business.

Our financial results may fluctuate due to our long and variable sales cycle.

Our sales cycle generally varies in duration between four to nine months and, in some cases, even longer depending on the size of the potential customer. The sales cycle for our global enterprise customers is generally longer than that of our mid-market customers. Factors that may influence the length and variability of our sales cycle include:

- the need to educate potential customers about the uses and benefits of our software solutions;
- the need to educate potential customers on the differences between traditional, on-premise software and SaaS solutions;
- the relatively long duration of the commitment customers make in their agreements with us;
- the discretionary nature and timing of potential customers' purchasing and budget cycles and decisions;

- the competitive nature of potential customers' evaluation and purchasing processes;
- announcements or planned introductions of new products by us or our competitors; and
- lengthy purchasing approval processes of potential customers.

We may incur higher costs and longer sales cycles as a result of large enterprises representing an increased portion of our revenue. In this market, the decision to subscribe to our solutions may require the approval of more technical and information security personnel and management levels within a potential customer's organization, and if so, these types of sales require us to invest more time educating these potential customers. In addition, larger organizations may demand more features and integration services and have increased purchasing power and leverage in negotiating contractual arrangements with us, which may contain restrictive terms favorable to the larger organization. As a result of these factors, these sales opportunities may require us to devote greater research and development, sales, product support and professional services resources to individual customers, resulting in increased costs and reduced profitability, and would likely lengthen our typical sales cycle, which could strain our resources.

In addition, more sales are closed in the last month of a quarter than other times. If we are unable to close sufficient transactions in a particular period, or if a significant amount of transactions are delayed until a subsequent period, our operating results for that period, and for any future periods in which revenue from such transaction would otherwise have been recognized, may be adversely affected.

We recognize revenue over the term of our customer contracts and, consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern.

We recognize subscription revenue ratably over the terms of our customers' agreements, most of which have one-year terms but an increasing number of which have up to three-year terms. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

We have identified material weaknesses in our internal controls over financial reporting and, if our remediation of these material weaknesses is not effective, or if we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the price of our common stock.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requires that we evaluate and determine the effectiveness of our

internal control over financial reporting and, beginning with our second annual report following this offering, which will cover our year ending December 31, 2017, provide a management report on internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

During 2015, we identified material weaknesses in our internal control over financial reporting. We identified a material weakness related to an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements. This lack of an effective control environment contributed to material weaknesses from the lack of controls over the selection of certain accounting policies and procedures and segregation of duties. Specifically, we did not have policies and controls designed to address the accounting for unusual or complex transactions, or the initial selection of, and the ongoing monitoring of changes in, accounting policies. Further, we did not maintain sufficiently designed segregation of duties including controls over journal entries such that there was a reasonable possibility that a material misstatement would not be prevented or detected on a timely basis.

These material weaknesses contributed to the restatement and revision of previously issued 2013 financial statements and audit adjustments in the 2014 financial statements principally, but not limited to, the following areas: capitalization of internal use software costs, accounting for and valuation of warrants issued with our debt facility, cut-off of transactions at the Acquisition date, accounting for the new basis of accounting arising from the Acquisition, including the valuation of the fair value deferred revenue assumed at the Acquisition date, forecasting of contingent consideration and the determination of the useful lives of intangible assets.

We began taking steps to address the controls issues that contributed to the material weaknesses in the second half of 2015, including the following:

- hiring of experienced additional finance and accounting personnel;
- implementation of financial reporting risk assessment and formalization of accounting policies and procedures;
- creation of additional internal reporting procedures, including those designed to add depth to our review processes;
- increased segregation of duties, including controls over journal entries; and
- additional engagement of third-party assistance to aid in our evaluation of complex transactions as they arise.

While we believe that these efforts will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. As a result, we determined that the material weaknesses had not been fully remediated as of December 31, 2015.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal controls over financial reporting. Accordingly, there could continue to be a reasonable possibility that these deficiencies or others could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis.

The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act will be time consuming, costly and complicated. If during the evaluation and testing process, we identify one or more other material weaknesses in our internal control over financial reporting or determine that existing material weaknesses have not been remediated, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We rely on a limited number of data centers to deliver our cloud-based software solutions and any disruption of service at these centers could harm our business.

We manage our software solutions and serve most of our customers using a cloud-based infrastructure that is operated by a limited number of third-party data center facilities in North America and Europe. We do not control the operation of these facilities. Any changes in third-party service levels at our data centers or any disruptions or delays from errors, defects, hacking incidents, security breaches, computer viruses or other intentional bad acts or performance problems could harm our reputation, damage our customers' businesses, and adversely affect our business and operating results. Our data centers are also vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. If our data centers were compromised or unavailable or our users were unable to access our solutions for any reason, our business and operations would be materially and adversely affected.

Our customers have experienced minor disruptions and outages in accessing our solutions in the past, and may in the future experience, disruptions, outages and other performance problems. Although we expend considerable effort to ensure that our platform performance is capable of handling existing and increased traffic levels, the ability of our cloud-based solutions to effectively manage any increased capacity requirements depends on our third-party providers. Our third-party data center providers may not be able meet such performance requirements, especially to cover peak levels or spikes in traffic, and as a result, our customers may experience delays in accessing our solutions or encounter slower performance in our solutions, which could significantly harm the operations of these facilities. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. The provisioning of additional cloud hosting capacity and data center infrastructure requires lead time. As we continue to add data centers, restructure our data management plans, and increase capacity in existing and future data centers, we may move or transfer our data and our customers' data. For example, in early 2016 we began hosting customers at a data facility located in Las Vegas, Nevada. Despite precautions taken during such processes and procedures, any unsuccessful data transfers may impair the delivery of our service, and we may experience costs or downtime in connection with the transfer of data to other facilities which may lead to, among other things, customer dissatisfaction and non-renewals. The owners of our data center

facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transfer to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Failure to effectively expand our sales capabilities could harm our ability to increase our customer base.

Increasing our customer base and sales will depend, to a significant extent, on our ability to effectively expand our sales and marketing operations and activities. We are substantially dependent on our direct sales force to obtain new customers. From January 1, 2014 to June 30, 2016, our sales and marketing teams increased from 68 to 248 employees. We plan to continue to expand our direct sales force both domestically and internationally. We believe that there is significant competition for experienced sales professionals with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth in the future will depend, in part, on our success in recruiting, training, and retaining a sufficient number of experienced sales professionals. New hires require significant training and time before they achieve full productivity, particularly in new sales segments and territories. Our recent hires and planned hires may not become as productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Our business will be harmed if our sales expansion efforts do not generate a significant increase in revenue.

If we are unable to develop and maintain successful relationships with resellers, our business, operating results and financial condition could be adversely affected.

We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with companies that resell our solutions. We plan to expand our small but growing network of resellers and to add new resellers, in particular to help grow our mid-market business globally. Our agreements with our existing resellers are non-exclusive, meaning resellers may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our solutions with limited or no notice and with little or no penalty. We expect that any additional resellers we identify and develop will be similarly non-exclusive and not bound by any requirement to continue to market our solutions. If we fail to identify additional resellers, in a timely and cost-effective manner, or at all, or are unable to assist our current and future resellers in independently selling our solutions, our business, results of operations, and financial condition could be adversely affected. If resellers do not effectively market and sell our solutions, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

If we are not able to maintain and enhance our brand, our business, operating results and financial condition may be adversely affected.

We believe that maintaining and enhancing our reputation for accounting and finance software is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our marketing efforts, our ability to continue to develop high-quality software, and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not ultimately be successful or yield increased revenue. In addition, independent industry analysts provide reviews of our platform, as well as products and services offered by our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected.

The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets and as more sales are generated. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, all of which would adversely affect our business, results of operations and financial condition.

Our long-term success depends, in part, on our ability to expand the sales of our solutions to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.

We currently maintain offices and/or have sales personnel in Australia, Canada, France, Germany, Malaysia, the Netherlands, Singapore, South Africa and the United Kingdom, and we intend to build out our international operations. As part of our ongoing international expansion strategy, in August 2016, we acquired Runbook, a Netherlands-based provider of financial close automation software solutions to SAP customers. We derived approximately 16% of our revenues from sales outside the United States in the six months ended June 30, 2016, and we derived approximately 14% of our revenues from sales outside the United States in the year ended December 31, 2015. Any international expansion efforts that we may undertake, including our acquisition of Runbook, may not be successful. In addition, conducting international operations in new markets subjects us to new risks that we have not generally faced in the United States. These risks include:

- localization of our solutions, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, regulatory requirements, tariffs and other barriers;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase the volatility of our foreign based revenue;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates, including the significant volatility in the global financial markets as a result of Brexit; and
- reduced or varied protection for intellectual property rights in some countries.

These factors may cause our international costs of doing business to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole.

We use third-party contractors outside of the United States to supplement our research and development capabilities, which may expose us to risks, including risks inherent in foreign operations.

We use third-party contractors outside of the United States to supplement our research and development capabilities. We currently use third-party contractors located in Romania and China.

Managing operations that are remote from our U.S. headquarters is difficult and we may not be able to manage these third-party contractors successfully. If we fail to maintain productive relationships with these contractors generally, we may be required to develop our solutions in a less efficient and cost-effective manner and our product release schedules may be delayed while we hire software developers or find alternative contract development resources. Additionally, while we take precautions to ensure that software components developed by our third-party contractors are reviewed and that our source code is protected, misconduct by our third-party contractors could result in infringement or misappropriation of our intellectual property. Furthermore, any acts of espionage, malware attacks, theft of confidential information or other malicious cyber incidents attributed to our third-party contractors may compromise our system infrastructure, expose us to litigation and lead to reputational harm that could result in a material adverse effect on our financial condition and operating results.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We currently have one patent application, which may not result in an issued patent. We primarily rely on copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. In the past, we have utilized demand letters as a means to assert and resolve claims regarding potential misuse of our proprietary or trade secret information. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

Suits by third parties for alleged infringement of their proprietary rights could cause us to incur significant expenses or liabilities.

There is considerable patent and other intellectual property development activity in our industry. Our future success depends in part on not infringing upon the intellectual property rights of others. From time to time, our competitors or other third parties may claim that our solutions and underlying technology infringe or violate their intellectual property rights, and we may be found to be infringing upon such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our solutions or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or other companies in connection with any such litigation and to obtain licenses, modify our solutions, or refund subscription fees, which could further exhaust our resources. In addition, we may incur substantial costs to resolve claims or litigation, whether or not successfully asserted against us, which could include payment of significant settlement, royalty or license fees, modification of our solutions, or refunds to customers of subscription fees. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business operations. Such disputes could also disrupt our solutions, adversely impacting our customer satisfaction and ability to attract customers.

We use open source software in our products, which could subject us to litigation or other actions.

We use open source software in our products and may use more open source software in the future. From time to time, there have been claims challenging the use of open source software against companies that incorporate open source software into their products. As a result, we could be subject to suits by parties claiming misuse of, or a right to compensation for, what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software products. If we inappropriately use open source software, we may be required to re-engineer our products, discontinue the sale of our products or take other remedial actions.

If the market for SaaS solutions develops more slowly than we expect or declines, our business would be adversely affected.

The market for SaaS solutions is less mature than the market for on-premise software applications, and the adoption rate of SaaS solutions may be slower at companies in industries with heightened data security interests or business practices requiring highly customizable application software. Many organizations have invested substantial personnel and financial resources to integrate traditional on-premise solutions into their businesses, and therefore may be reluctant or unwilling to purchase SaaS solutions. In addition, some organizations have been reluctant to use cloud-based solutions because they have concerns regarding the risks associated with the reliability or security of the technology delivery model associated with these solutions. Because our solutions involve the aggregation, storage and use of confidential information and related data, including highly confidential financial data, some customers may be reluctant or unwilling to migrate to our cloud-based solutions.

It is difficult to predict customer adoption rates and demand for our software solutions, the future growth rate and size of the market or the entry of competitive products or services. The expansion of the SaaS solutions market depends on a number of factors, including the cost, performance and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Government agencies have adopted, or may adopt, laws and regulations regarding the collection and use of personal information obtained from consumers and other individuals, or may seek to access information on our platform, either of which may reduce the overall demand for our platform. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS solutions, including our platform, may be negatively affected. If SaaS solutions do not continue to achieve market acceptance, or there is a reduction in demand for SaaS solutions caused by a lack of customer acceptance, technological challenges, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending, it would result in decreased revenue and our business would be adversely affected.

Privacy and data security concerns, and data collection and transfer restrictions and related domestic or foreign regulations may limit the use and adoption of our solutions and adversely affect our business.

Personal privacy, information security, and data protection are significant issues in the United States, Europe and many other jurisdictions where we offer our platform. The regulatory framework governing the collection, processing, storage and use of business information, particularly information that affects financial statements, and personal data, is rapidly evolving and any failure or perceived

failure to comply with applicable privacy, security, or data protection laws or regulations may adversely affect our business.

The U.S. federal and various state and foreign governments have adopted or proposed requirements regarding the collection, distribution, use, security and storage of personally identifiable information and other data relating to individuals, and federal and state consumer protection laws are being applied to enforce regulations related to the online collection, use and dissemination of data. Some of these requirements include obligations on companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or by organizations with which we have formed strategic relationships. Even though we may have contractual protections with such organizations, notifications related to a security breach could impact our reputation, harm customer confidence, hurt our expansion into new markets or cause us to lose existing customers.

Further, many foreign countries and governmental bodies, including the European Union, or EU, where we conduct business and have offices, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, Internet Protocol, or IP, addresses. With regard to data transfers of personal data from our European employees and customers to the United States, we historically relied on our adherence to the U.S. Department of Commerce's Safe Harbor Privacy Principles and compliance with the U.S.-EU and U.S.-Swiss Safe Harbor Frameworks as agreed to and set forth by the U.S. Department of Commerce, and the European Union and Switzerland, which established means for legitimizing the transfer of personal data by companies doing business in Europe from the EU to the U.S. As a result of the October 6, 2015 European Court of Justice opinion in Case C-362/14 (Schrems v. Data Protection Commissioner) or, the ECJ Ruling, the U.S.-EU Safe Harbor Framework was deemed an invalid method of compliance with EU restrictions on data transfers. We have taken certain measures to legitimize our transfers of personal data, both internally and on behalf of our customers, from the EU to the United States in the wake of the ECJ Ruling. Additionally, EU and U.S. political authorities adopted the U.S.-EU Privacy Shield on July 12, 2016, which may provide a new mechanism for companies to transfer EU personal data to the United States. It is unclear at this time whether the U.S.-EU Privacy Shield will serve as an appropriate means for us to transfer EU personal data from the EU to the U.S. Our means for transferring personal data from the EU may not be adopted by all of our customers and may be subject to legal challenge by data protection authorities, and we may experience reluctance or refusal by European customers to use our solutions due to potential risk exposure as a result of the ECJ Ruling. We and our customers face a risk of enforcement actions taken by EU data protection authorities regarding data transfers from the EU to the United States.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the EU, and other jurisdictions. For example, the European Commission recently adopted a General Data Protection Regulation, effective in May 2018, that will supersede current EU data protection legislation, impose more stringent EU data protection requirements, and provide for greater penalties for noncompliance. We cannot yet determine the impact such future laws, regulations and standards may have on our business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for our service, increase our costs, impair our ability to grow our business, or restrict our ability to store and process data or, in some cases, impact our ability to offer our service in some locations and may subject us to liability. Further, in view of new or modified federal, state or foreign laws and regulations, industry standards, contractual obligations and other legal obligations, or any changes in their

interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our software or platform and otherwise adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new products and features could be limited.

Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, it is expected that the United Kingdom government will initiate a process to leave the EU (often referred to as “Brexit”). The Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, it is unclear whether the United Kingdom will enact data protection laws or regulations designed to be consistent with the pending EU General Data Protection Regulation and how data transfers to and from the United Kingdom will be regulated.

Our customers also expect that we comply with regulatory standards that may place additional burdens on us. Our customers expect us to meet voluntary certifications or adhere to standards established by third parties, such as the SSAE 16, SOC1 and SOC2 audit processes, and may demand that they be provided a report from our auditors that we are in compliance. If we are unable to maintain these certifications or meet these standards, it could adversely affect our customers’ demand for our service and could harm our business.

The costs of compliance with and other burdens imposed by laws, regulations and standards may limit the use and adoption of our service and reduce overall demand for it, or lead to significant fines, penalties or liabilities for any noncompliance. Privacy, information security, and data protection concerns, whether valid or not valid, may inhibit market adoption of our platform, particularly in certain industries and foreign countries.

We depend and rely upon SaaS applications from third parties to operate our business and interruptions or performance problems with these technologies may adversely affect our business and operating results.

We rely heavily on SaaS applications from third parties in order to operate critical functions of our business, including billing and order management, enterprise resource planning, and financial accounting services. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted and our processes for managing sales of our solutions and supporting our customers could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect our business.

We rely on third-party computer hardware and software that may be difficult to replace or which could cause errors or failures of our software solutions.

We rely on computer hardware purchased or leased and software licensed from third parties in order to deliver our software solutions. This hardware and software may not continue to be available on commercially reasonable terms, if at all. Any loss of the right to use any of this hardware or software could result in delaying or preventing our ability to provide our software solutions until equivalent technology is either developed by us or, if available, identified, obtained and integrated. In addition, errors or defects in third-party hardware or software used in our software solutions could result in errors or a failure, which could damage our reputation, impede our ability to provide our platform or process information, and adversely affect our business and results of operations.

We face exposure to foreign currency exchange rate fluctuations that could harm our results of operations.

We conduct transactions, particularly intercompany transactions, in currencies other than the U.S. dollar, primarily the British pound and the Euro. As we grow our international operations, we expect the amount of our revenues that are denominated in foreign currencies to increase in the future. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar could affect our revenue and operating results due to transactional and translational remeasurements that are reflected in our results of operations. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected.

Additionally, as a result of Brexit, global markets and foreign currencies have been adversely impacted. In particular, the value of the British pound has declined as compared to the U.S. dollar and other currencies. This volatility in foreign currencies is expected to continue as the U.K. negotiates and executes its exit from the European Union, but it is uncertain over what time period this will occur. A significantly weaker British pound compared to the U.S. dollar could have a negative effect on our business, financial condition and results of operations.

We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in full compliance with applicable laws.

Our solutions are subject to export controls, including the Commerce Department's Export Administration Regulations and various economic and trade sanctions regulations established by the Treasury Department's Office of Foreign Assets Controls. Obtaining the necessary authorizations, including any required license, for a particular export or sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. The U.S. export control laws and economic sanctions laws prohibit the export, reexport or transfer of specific products and services to U.S. embargoed or sanctioned countries, governments and persons. Even though we take precautions to prevent our solutions from being provided to U.S. sanctions targets, our solutions could be sold by resellers or could be used by persons in sanctioned countries despite such precautions. Failure to comply with the U.S. export control, sanctions and import laws could have negative consequences, including government investigations, penalties and reputational harm. We and our employees could be subject to civil or criminal penalties, including the possible loss of export or import privileges; fines, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our resellers fail to obtain appropriate import, export or re-export licenses or authorizations, we may also be adversely affected through reputational harm and penalties.

In addition, various countries regulate the import of encryption technology, including through import permitting/licensing requirements, and have enacted laws that could limit our ability to distribute our solutions or could limit our customers' ability to implement or access our solutions in those countries. Changes in our solutions or changes in export, sanctions and import regulations may create

delays in the introduction and sale of our solutions in international markets, prevent our customers with international operations from accessing our solutions or, in some cases, preventing the export or import of our solutions to some countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related laws, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions, or in our decreased ability to export or sell our solutions to existing or potential customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions would likely adversely affect our business, financial condition and results of operations.

We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such transactions.

On August 31, 2016, we completed our acquisition of Runbook. In addition, we may evaluate and consider potential strategic transactions, including mergers with or into other companies, and acquisitions of, or investments in, businesses, technologies, services, products, and other assets in the future. We also may enter into relationships with other businesses to expand our products and services, which could involve preferred or exclusive licenses, additional channels of distributions or discount pricing.

The Runbook acquisition or any future acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies, such as Runbook, particularly if the key personnel of the acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. In addition, Runbook offers an on-premise solution to its customers. If we are unable to migrate those customers to our cloud solution or if we are unable to integrate Runbook's on-premise software with our platform, our business may be adversely affected. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our existing stockholders;
- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay;
- encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

Changes in laws and regulations related to the Internet and cloud computing or changes to Internet infrastructure may diminish the demand for our solutions, and could have a negative impact on our business.

The future success of our business depends upon the continued use of the Internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Regulators in some industries have also adopted, and may in the future adopt regulations or interpretive positions regarding the use of SaaS and cloud computing solutions. For example, some financial services regulators have imposed guidelines for the use of cloud computing services that mandate specific controls or require financial services enterprises to obtain regulatory approval prior to utilizing such software. Changes in these laws or regulations could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the Internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications generally, or result in reductions in the demand for Internet-based solutions and services such as ours. In addition, the use of the Internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the Internet and its acceptance as a business tool has been adversely affected by "viruses," "worms," and similar malicious programs and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for our solutions could decline.

Incorrect or improper implementation or use of our solutions could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects.

Our platform is deployed in a wide variety of technology environments and into a broad range of complex workflows. Our platform has been integrated into large-scale, enterprise-wide technology environments, and specialized use cases, and our success depends on our ability to implement our platform successfully in these environments. We often assist our customers in implementing our platform, but many customers attempt to implement even complex deployments themselves or use a third-party service firm. If we or our customers are unable to implement our platform successfully, or are unable to do so in a timely manner, customer perceptions of our platform and company may be impaired, our reputation and brand may suffer, and customers may choose not to renew or expand the use of our platform.

Our customers and third-party resellers may need training in the proper use of our platform to maximize its potential. If our platform is not implemented or used correctly or as intended, including if customers input incorrect or incomplete financial data into our platform, inadequate performance may result. Because our customers rely on our platform to manage their financial close and other financial tasks, the incorrect or improper implementation or use of our platform, our failure to train customers on how to efficiently and effectively use our platform, or our failure to provide adequate product support to our customers, may result in negative publicity or legal claims against us. Also, as we continue to expand our customer base, any failure by us to properly provide these services will likely result in lost opportunities for additional subscriptions to our platform.

Any failure to offer high-quality product support may adversely affect our relationships with our customers and our financial results.

In deploying and using our solutions, our customers depend on our support services team to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for product support. We also may be unable to modify the nature, scope and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and adversely affect our operating results. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality product support, or a market perception that we do not maintain high-quality product support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, our business, operating results, and financial position.

Unfavorable conditions in our industry or the global economy could limit our ability to grow our business and negatively affect our operating results.

Our operating results may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for business software applications and services generally and for accounting and finance systems in particular. Weak economic conditions affect the rate of accounting and finance and information technology spending and could adversely affect our customers' or potential customers' ability or willingness to purchase our cloud platform, delay purchasing decisions, reduce the value or duration of their subscription contracts, or affect attrition rates, all of which could adversely affect our operating results. If economic conditions deteriorate, our customers and prospective customers may elect to decrease their accounting and finance and information technology budgets, which would limit our ability to grow our business and negatively affect our operating results.

We provide service level commitments under our customer contracts, and if we fail to meet these contractual commitments, our revenues could be adversely affected.

Our customer agreements typically provide service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for prepaid amounts related to unused subscription services, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

Seasonality could cause our operating results and financial metrics to fluctuate from quarter to quarter and make them more difficult to predict.

We typically add fewer customers in the first quarter of the year than other quarters. We also experience a higher volume of sales at the end of each quarter and year, which is often the result of buying decisions by our customers. Seasonality may be reflected to a much lesser extent, and sometimes may not be immediately apparent, in our revenue, due to the fact that we recognize subscription revenue over the term of our agreements. We may also increase expenses in a period in anticipation of future revenues. Changes in the number of customers and users in different periods will cause fluctuations in our financial metrics and, to a lesser extent revenues. Those changes and fluctuations in our expenses will affect our results on a quarterly basis, and will make forecasting our future operating results and financial metrics difficult.

Our credit facility contains operating and financial covenants that restrict our business and financing activities and, in some cases, could result in an immediate requirement to repay our outstanding loans.

Borrowings under our credit facility are secured by substantially all of our assets, including our intellectual property. We expect to pay the entire outstanding balance under our credit facility with proceeds from this offering, including prepayment premiums. Our credit facility restricts our ability to, among other things:

- dispose of or sell our assets;
- make material changes in our business or management;
- consolidate or merge with other entities;
- incur additional indebtedness;
- create liens on our assets;
- pay dividends;
- make investments, including capital expenditures;
- enter into transactions with affiliates; and
- pay off or redeem subordinated indebtedness.

These restrictions are subject to exceptions. In addition, our credit facility requires us to maintain a maximum consolidated leverage ratio, among other requirements. The credit facility, which was entered into by our operating subsidiary, BlackLine Systems, Inc. and guaranteed by our intermediary holding company, BlackLine Intermediate, Inc., also places restrictions on BlackLine Systems, Inc.'s ability to make dividend payments, loans or advances to us and our subsidiaries. All of BlackLine Systems, Inc.'s net assets are restricted from making dividend payments, loans or advances to us and our subsidiaries. Restricted net assets as of December 31, 2015 amounted to $166.2 million.

The operating and financial restrictions and covenants in the credit facility, as well as any future financing agreements that we may enter into, could restrict our ability to finance our operations and to engage in, expand or otherwise pursue business activities and strategies that we or our stockholders may consider beneficial. Our ability to comply with these covenants may be affected by events beyond our control, and future breaches of any of these covenants could result in a default under the credit facility. Future defaults, if not waived, could cause all of the outstanding indebtedness under our credit facility to become immediately due and payable and would permit the lenders to terminate all commitments to extend further credit and permit the administrative and collateral agent, on behalf of the lenders, to proceed against the collateral in which we granted the lenders a security interest.

On March 22, 2016, we amended our credit facility to establish an available $5.0 million revolving line of credit maturing on September 25, 2018. We amended our credit facility again on August 30, 2016 to add an additional $30 million term loan and used the proceeds and cash on hand to acquire Runbook.

If we do not have or are unable to generate sufficient cash available to repay our debt obligations when they become due and payable, either upon maturity or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all. This could materially and adversely affect our liquidity and financial condition and our ability to operate and continue our business as a going concern.

Our international operations subject us to potentially adverse tax consequences.

We report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. We believe that our financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

The enactment of legislation implementing changes in the U.S. taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.

Recent changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits, as well as changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to expansion of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

Our ability to use our net operating losses to offset future taxable income may be subject to limitations.

As of December 31, 2015, we had federal and State of California net operating loss carryforwards, or NOLs, of $70.3 million and $65.6 million, respectively. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction and are subject to change from time to time. Some jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements may adversely affect our results of operations.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating to the size and expected growth of the market for a comprehensive platform to automate accounting and finance processes and integrate ERPs may prove to be inaccurate. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all.

We might require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our existing solutions, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired.

Natural disasters and other events beyond our control could harm our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions to our customers, and could decrease demand for our solutions. The majority of our research and development activities, corporate headquarters, information technology systems and other critical business operations are located in California, which has experienced major earthquakes in the past. Significant recovery time could be required to resume operations and our financial condition and operating results could be harmed in the event of a major earthquake or catastrophic event.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. As of June 30, 2016, we had goodwill and intangible assets with a net book value of $213.9 million related to the Acquisition. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such charges may have a material negative impact on our operating results.

Risks Related to Ownership of Our Common Stock and this Offering

There has been no prior market for our common stock and an active market may not develop or be sustained and investors may not be able to resell their shares at or above the initial public offering price.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations between the underwriters and us and may vary from the market price of our common stock following this offering. If you purchase shares of our common stock in this offering, you may not be able to resell those shares at or above the initial public offering price, if at all. An active or liquid market in our common stock may not develop following this offering or, if it does develop, it may not be sustainable.

Our stock price may be volatile or may decline regardless of our operating performance resulting in substantial losses for investors purchasing shares in this offering.

The trading price of our common stock is likely to be volatile and could fluctuate widely regardless of our operating performance. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic relationships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property, or our products or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations, or new interpretations of existing laws or regulations applicable to our business;
- any major change in our board of directors or management;
- sales of shares of our common stock by us or our stockholders;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

In addition, the stock markets, and in particular the market on which our common stock will be listed, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from operating our business, and adversely affect our business, results of operations, financial condition and cash flows.

The company will be controlled by our Principal Stockholders, whose interests may differ from those of other stockholders.

Immediately following this offering, our Principal Stockholders will beneficially own, in the aggregate, approximately % of our outstanding common stock and directors affiliated with our Principal Stockholders will comprise a majority of our board of directors. Further, we will enter into a Stockholders' Agreement with the Principal Stockholders which will provide that the Principal Stockholders will be entitled to designate members of our board of directors as described in "Management—Board Composition." We anticipate that the parties to the Stockholders' Agreement will agree to vote for these nominees as well as other directors recommended by independent directors constituting a majority of our independent directors in a vote in which only independent directors participate.

Under the Stockholders' Agreement and subject to our certificate of incorporation and bylaws, as amended and restated in connection with this offering, and applicable law, for so long as the Principal Stockholders collectively own or hold of record, directly or indirectly, in the aggregate at least 40% of their collective "Post-IPO Shares" (as defined in the Stockholders' Agreement), as adjusted for any reorganization, recapitalization, stock dividend, stock split, reverse stock split or similar changes in our capitalization, the following actions will require the approval of our board of directors, including the affirmative vote of at least two directors designated by Silver Lake Sumeru:

- any voluntary liquidation, winding up or dissolution or any action relating to a voluntary bankruptcy, reorganization or recapitalization of the company or its subsidiaries;
- certain dispositions of assets in excess of $50 million or entry into joint ventures requiring a capital contribution in excess of $50 million, in each case, by the company or its subsidiaries;
- fundamental changes in the nature of the company's or its subsidiaries' existing lines of business or the entry into a new significant line of business;
- any amendments to the company's amended and restated certificate of incorporation and amended and restated bylaws;
- incurrence of indebtedness in excess of $150 million;
- appointment or termination of the Chief Executive Officer; and
- change of control transactions.

See "Certain Relationships and Related Party Transactions—Transactions in Connection with the Offering—Stockholders' Agreement."

Immediately following this offering, the Principal Stockholders will be able to determine the outcome of all matters requiring stockholder approval, including mergers and other material transactions, and will be able to cause or prevent a change in the composition of our board of directors or a change in control of our company that could deprive our stockholders of an opportunity to receive

a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

Further, our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by law, the doctrine of "corporate opportunity" will not apply to Silver Lake Sumeru, Iconiq, their respective affiliates or the directors they designate, pursuant to their rights under the Stockholders' Agreement in a manner that would prohibit them from investing in competing businesses or doing business with our partners or customers. Accordingly, these directors will have the rights to pursue business opportunities that may be of interest to the company and which they would otherwise need to provide to the company. See "Description of Capital Stock Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws."

Although we do not expect to rely on the "controlled company" exemption, we will be a "controlled company" within the meaning of the stock exchange rules and we will qualify for exemptions from certain corporate governance requirements.

Because our Principal Stockholders will, collectively, own a majority of our outstanding common stock following the completion of this offering, we will be considered a "controlled company" as that term is set forth in the stock exchange rules. Under these rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with certain stock exchange rules regarding corporate governance, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its director nominees be selected or recommended for the board's selection by a majority of the board's independent directors in a vote in which only independent directors participate or by a nominating committee comprised solely of independent directors, in either case, with board resolutions or a written charter, as applicable, addressing the nominations process and related matters as required under the federal securities laws; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These requirements will not apply to us as long as we remain a "controlled company." Although we qualify as a "controlled company," we do not expect to rely on this exemption and intend to fully comply with all corporate governance requirements under the stock exchange rules. However, if we were to utilize some or all of these exemptions, you may not have the same protections afforded to stockholders of companies that are subject to all of the stock exchange rules regarding corporate governance.

Substantial future sales of shares of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, a large number of shares of our common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares. After this offering, we will have outstanding shares of our common stock, based on the number of shares outstanding as of June 30, 2016. This includes the shares included in this offering, which may be resold in the public market immediately. The remaining shares are currently restricted as a result of market stand-off agreements and lock-up agreements with the underwriters restricting their sale for 180 days after the date of this prospectus. Goldman, Sachs & Co. and J.P. Morgan Securities LLC may, in their sole discretion, permit our officers, directors, employees and current stockholders who are subject to lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

Additionally, the shares of common stock subject to outstanding warrants or outstanding options under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market in the future, subject to legal and contractual limitations. See “Shares Eligible for Future Sale” for a more detailed description of sales that may occur in the future.

After this offering, the holders of an aggregate of shares of our common stock as of June 30, 2016 will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. We also intend to register shares of common stock that we may issue under our employee equity incentive plans. Once we register these shares, they will be able to be sold freely in the public market upon issuance, subject to market stand-off or lock-up agreements.

As a new investor, you will incur immediate and substantial dilution as a result of this offering.

The initial public offering price will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock. As a result, investors purchasing common stock in this offering will incur immediate dilution of $ per share, based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of the prospectus), and new investors will own approximately % of our outstanding common stock. This dilution is due in large part to earlier investors having generally paid substantially less than the initial public offering price when they purchased their shares. In addition, the exercise of outstanding options and warrants will, and future equity issuances may, result in further dilution to investors.

Provisions of our corporate governance documents could make an acquisition of the company more difficult and may impede attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws and the Delaware General Corporation Law, or DGCL, will contain provisions that could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our stockholders. Among other things:

- we will have authorized but unissued shares of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders;
- we will have a classified board of directors with staggered three-year terms;
- stockholder action by written consent will be prohibited from and after the date on which the Principal Stockholders beneficially own, in the aggregate, less than 35% in voting power of our stock entitled to vote generally in the election of directors;
- for as long as the Principal Stockholders beneficially own, in the aggregate, at least 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws or our amended and restated certificate of incorporation by our stockholders will require the affirmative vote of 60% of the voting power of our stock entitled to vote thereon, voting together as a single class and at any time when the Principal Stockholders beneficially own, in the aggregate, less than 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws or of certain provisions of our amended and restated certificate of incorporation by our stockholders will require the affirmative vote of the holders of at least 75% of the voting power of our stock entitled to vote thereon, voting together as a single class outstanding; and

- stockholders are required to comply with advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; provided, however, that such advance notice procedures will not apply to the Principal Stockholders at any time such person or entity owns in the aggregate at least 10% of the voting power of our stock entitled to vote generally in the election of directors.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. See "Description of Capital Stock—Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws."

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the federal securities laws, and we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We will remain an "emerging growth company" until the last day of the fiscal year following the five-year anniversary of the completion of this offering, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the end of the second quarter of a fiscal year prior to the five-year anniversary, we would cease to be an "emerging growth company" as of the following December 31.

The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the exchanges and other markets upon which our common stock is listed, and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. We will be required to disclose changes made in our internal control and procedures on a quarterly basis and we will be required to furnish a report by management on, among other things, the

effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an "emerging growth company." As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.

Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase the value of our business, which could cause our stock price to decline.

We do not intend to pay dividends on our common stock so any returns will be limited to changes in the value of our common stock.

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our

business, and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our common stock is restricted by our current credit facility and may be prohibited or limited by the terms of our current and future debt financing arrangements. Any return to stockholders will therefore be limited to the increase, if any, of our stock price, which may never occur.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated bylaws, as will be in effect upon the completion of this offering, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, or (4) any action asserting a claim against us that is governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to this provision. The forum selection clause in our amended and restated bylaws may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to attract new customers and expand sales to existing customers;
- the retention of our customers;
- our ability to manage growth effectively;
- our future financial performance and ability to achieve and maintain profitability;
- our ability to provide successful enhancements, new features and modifications to our solutions;
- the success of a limited number of solutions for which we derive substantially all of our revenues;
- our relationships with technology vendors, professional services firms and business process outsourcers;
- breaches or unauthorized access to customer data;
- interruptions or performance problems associated with our solutions, platform and technology;
- our ability to prevent serious errors or defects in our products; and
- our use of the net proceeds of this offering.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, market opportunity and market size, is based on information from various sources, including reports we commissioned with Frost & Sullivan and an independent industry publication by Gartner Inc., or Gartner.

The Gartner Report (as defined below) described in this prospectus represents research opinions or viewpoints published as part of a syndicated subscription service by Gartner and are not representations of fact. The Gartner Report speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Report are subject to change without notice. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

In certain instances where the Gartner Report is identified as the source of market and industry data contained in this prospectus, the applicable report is identified by superscript notations. The source of this data is provided below:

- Gartner, *Magic Quadrant for Financial Corporate Performance Management Solutions*, May 31, 2016, or the Gartner Report.

In presenting this information, we have also made assumptions based on such data and other similar sources and on our knowledge of the markets for our solutions. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, estimates of third parties, particularly as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those described in the section titled "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the third parties and by us.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately $, based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, we estimate that the net proceeds to us would be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds to us from the sale of shares of our common stock in this offering by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the net proceeds to us from the sale of shares of our common stock in this offering by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital and increase our financial flexibility, create a public market for our stock, and increase our visibility in the marketplace. We currently intend to use the net proceeds we receive from this offering to repay the entire outstanding balance under our credit facility and for general corporate purposes, including working capital, research and development activities, sales and marketing activities, general and administrative matters and capital expenditures and to fund our growth plans. We entered into a term loan under our credit facility in September 2013, or the 2013 Term Loan. In March 2016, we amended our credit facility to add an additional $5.0 million term loan, or the 2016 Incremental Term Loan. As of June 30, 2016, an aggregate of $35.7 million of principal was outstanding under our credit facility. In August 2016, we amended our credit facility again to add an additional $30 million term loan, or the 2016 Acquisition Term Loan. We used the proceeds from the 2016 Acquisition Term Loan and cash on hand to acquire Runbook, and we used the proceeds from the 2016 Incremental Term Loan for general corporate purposes, including working capital, research and development activities, sales and marketing activities and general and administrative matters. Our credit facility requires us to pay a prepayment premium of 1% of the amount prepaid under the 2013 Term Loan in the event of early prepayment prior to September 2016, up to 3% of the 2016 Incremental Term Loan for any prepayment prior to maturity and up to 2% of the 2016 Acquisition Term Loan for any prepayment prior to maturity. The 2013 Term Loan, 2016 Incremental Term Loan and 2016 Acquisition Term Loan expire and mature on September 25, 2018. The 2013 Term Loan, the 2016 Incremental Term Loan and the 2016 Acquisition Term Loan each bear interest at (i) the greater of LIBOR or 1.5% plus (ii) 8%, and can be paid in varying amounts in cash or in kind. At June 30, 2016, the interest rate on the 2013 Term Loan and 2016 Incremental Term Loan was 9.5%. For additional discussion of our credit facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." We may also, in our discretion, use a portion of the net proceeds for the acquisition of, or investment in, businesses, products, services, or technologies that complement our business, although we have no current commitments or agreements to enter into any acquisitions or investments. We will have broad discretion over the uses of the net proceeds of this offering.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We currently intend to retain any future earnings to fund business development and growth, and we do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. Currently, the provisions of our credit facility place certain limitations on the amount of cash dividends we can pay.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization at June 30, 2016:

- on an actual basis; and
- on a pro forma basis giving effect to (i) the issuance of shares of our common stock in this offering, at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by us and (ii) and the use of proceeds from the offering to repay amounts outstanding under our credit facility at June 30, 2016, including prepayment premiums, each as if such events had occurred on June 30, 2016.

You should read this table together with our consolidated financial statements and related notes, and the sections titled “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” that are included elsewhere in this prospectus.

	As of June 30, 2016	
	Actual	Pro Forma(1)
	(in thousands, except share data)	
Cash and cash equivalents	$ 13,647	$
Capital lease obligations, net of current portion	434	
Term loan, net(2)	34,399	
Common stock warrant liability	5,200	
Stockholders’ equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 203,655,411 issued and outstanding actual, and issued and outstanding pro forma	2,039	
Additional paid-in capital	215,824	
Accumulated deficit	(65,051)	
Total stockholders’ equity	152,812	
Total capitalization	$ 192,845	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the amount of our pro forma cash and cash equivalents, additional paid-in capital and total stockholders’ equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us. An increase or decrease of shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma cash and cash equivalents, additional paid-in capital and total stockholders’ equity by approximately $ million, assuming that the initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us.

(2) Excludes an additional $30 million term loan we borrowed under our amended credit facility in August 2016. We used the proceeds from the additional term loan and cash on hand to fund the

acquisition of Runbook as described in Note 8 of our condensed consolidated interim financial statements appearing elsewhere in this prospectus. We currently intend to use a portion of the net proceeds we receive from this offering to repay the entire outstanding balance under our credit facility. See “Use of Proceeds.”

If the underwriters’ option to purchase additional shares of our common stock from us were exercised in full, as of June 30, 2016, pro forma cash and cash equivalents would be $ million, additional paid-in capital would be $ million, total stockholders’ equity would be $ million and shares outstanding would be .

The pro forma column in the table above is based on 203,655,411 shares of our common stock outstanding as of June 30, 2016, and excludes the following:

- 29,570,809 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2016, with a weighted-average exercise price of $1.77 per share;
- 2,500,000 shares of our common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of June 30, 2016, with an exercise price of $1.00 per share; and
- 36,704,125 shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,724,125 shares of common stock reserved for future awards under the 2014 Equity Incentive Plan, or our 2014 Plan, as of June 30, 2016 (which will terminate as of immediately prior to the effectiveness of our 2016 Plan (as described below) and no awards will be granted under our 2014 Plan thereafter) and (ii) 30,980,000 shares of common stock reserved for issuance under our 2016 Equity Incentive Plan, or our 2016 Plan, which will become effective one business day prior to the effective date of the registration statement of which this prospectus forms a part. Stock options to purchase an aggregate of 480,250 shares of our common stock, with an exercise price of $3.20 per share were granted after June 30, 2016 under our 2014 Plan. Any shares covering awards granted under our 2014 Plan that, on or after the termination of our 2014 Plan, expire or terminate without having been exercised in full or are forfeited to us, tendered to or withheld by us for the payment of an exercise price or for tax withholding, or repurchased by us due to failure to vest, will become available for issuance under our 2016 Plan, with the maximum number of shares to be added to our 2016 Plan from our 2014 Plan equal to 33,900,000 shares. Our 2016 Plan also provides for automatic annual increases in the number of shares reserved under our 2016 Plan, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans;” and
- 960,938 shares of our common stock sold to Runbook employees for $3.1 million in the aggregate in September 2016.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after this offering. Dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after completion of this offering.

Our historical net tangible book deficit as of June 30, 2016 was $63.8 million, or $(0.31) per share. Our historical net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding as of June 30, 2016.

After giving effect to (i) the sale by us of shares of our common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the use of proceeds from the offering to repay amounts outstanding under our credit facility at June 30, 2016 including prepayment premiums, each as if such events had occurred on June 30, 2016, our pro forma net tangible book value as of June 30, 2016 would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of $ per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share		$
Historical net tangible book deficit per share as of June 30, 2016	$(0.31)	
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma net tangible book value per share immediately after this offering		
Dilution in pro forma net tangible book value per share to new investors in this offering		$

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma net tangible book value per share immediately after this offering by $, and would increase or decrease, as applicable, dilution per share to new investors in this offering by $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, our pro forma net tangible book value by approximately $ per share and increase or decrease, as applicable, the dilution to new investors by $ per share, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions payable by us.

If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, the pro forma net tangible book value per share of our common stock, as adjusted to give effect to this offering, would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share.

The following table presents, as of June 30, 2016, the differences between the existing stockholders and the new investors purchasing shares of our common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of shares of our common stock and the average price per share paid or to be paid to us at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	203,655,411	%	$204,982,000	%	$ 1.01
New investors		%		%	$
Totals		100%	$	100%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock from us. If the underwriters' option to purchase additional shares of our common stock were exercised in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 203,655,411 shares of our common stock outstanding as of June 30, 2016, and excludes:

- 29,570,809 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2016, with a weighted-average exercise price of $1.77 per share;
- 2,500,000 shares of our common stock issuable upon the exercise of warrants to purchase shares of our common stock outstanding as of June 30, 2016, with an exercise price of $1.00 per share;
- 36,704,125 shares of our common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,724,125 shares of common stock reserved for future awards under the 2014 Equity Incentive Plan, or our 2014 Plan, as of June 30, 2016 (which will terminate as of immediately prior to the effectiveness of our 2016 Plan (as described below) and no awards will be granted under our 2014 Plan thereafter) and (ii) 30,980,000 shares of common stock reserved for issuance under our 2016 Equity Incentive Plan, or our 2016 Plan, which will become effective one business day prior to the effective date of the registration statement of which this prospectus forms a part. Stock options to purchase an aggregate of 480,250 shares of our common stock, with an exercise price of $3.20 per share were granted after June 30, 2016 under our 2014 Plan. Any shares covering awards granted under our 2014 Plan that, on or after the termination of our 2014 Plan, expire or terminate without having been exercised in full or are forfeited to us, tendered to or withheld by us for the payment of an

exercise price or for tax withholding, or repurchased by us due to failure to vest, will become available for issuance under our 2016 Plan, with the maximum number of shares to be added to our 2016 Plan from our 2014 Plan equal to 33,900,000 shares. Our 2016 Plan also provides for automatic annual increases in the number of shares reserved under our 2016 Plan, as more fully described in "Executive Compensation—Employee Benefit and Stock Plans;" and

- 960,938 shares of our common stock sold to Runbook employees for $3.1 million in the aggregate in September 2016.

To the extent that any outstanding options to purchase our common stock or the warrants to purchase common stock are exercised, or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. You should read this selected consolidated financial data together with our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

On September 3, 2013, we acquired BlackLine Systems, Inc., which we refer to as the Acquisition. Prior to the Acquisition, we had no significant operations. As a result, the consolidated financial statements for the periods from January 1, 2013 to September 2, 2013 are presented as BlackLine Systems, Inc., which we refer to as the Predecessor, and all subsequent periods are presented as BlackLine, Inc., which we refer to as the Successor. The Successor financial statements reflect a new basis of accounting as a result of the Acquisition and therefore are not comparable to the Predecessor financial statements. We refer to the period from January 1, 2013 to September 2, 2013 as the 2013 Predecessor Period and the period from September 3, 2013 to December 31, 2013 as the 2013 Successor Period.

The consolidated statements of operations data for the 2013 Predecessor Period is derived from the audited consolidated financial statements of the Predecessor not included in this prospectus. The consolidated statements of operations data for the 2013 Successor Period and the consolidated balance sheet data as of December 31, 2013 are derived from the consolidated financial statements of the Successor not included in this prospectus. The consolidated statements of operations data for the years ended December 31, 2014 and 2015 and the consolidated balance sheet data as of December 31, 2014 and 2015 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the six months ended June 30, 2015 and 2016 and the consolidated balance sheet data as of June 30, 2016 are derived from the unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our unaudited interim condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of those unaudited condensed consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future.

Consolidated Statements of Operations Data:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
			(In thousands, except share and per share data)			
Revenues						
Subscription and support	$ 21,977	$ 7,723	$ 49,029	$ 80,080	$ 35,880	$ 52,977
Professional services	1,407	860	2,648	3,527	1,592	2,610
Total revenues	23,384	8,583	51,677	83,607	37,472	55,587
Cost of revenues						
Subscription and support	4,442	4,346	14,380	19,773	9,101	12,075
Professional services	1,145	499	2,218	2,956	1,338	1,928
Total cost of revenues(1)(2)	5,587	4,845	16,598	22,729	10,439	14,003
Gross profit	17,797	3,738	35,079	60,878	27,033	41,584
Operating expenses						
Sales and marketing(1)(2)	10,453	6,895	31,837	56,546	24,954	37,242
Research and development(1)	4,738	2,225	9,705	18,216	8,034	10,465
General and administrative(1)(2)(3)	6,978	2,827	11,716	20,928	9,052	11,935
Acquisition-related costs	5,586	1,634	—	—	—	—
Total operating expenses	27,755	13,581	53,258	95,690	42,040	59,642
Loss from operations	(9,958)	(9,843)	(18,179)	(34,812)	(15,007)	(18,058)
Other expense:						
Interest expense, net	(22)	(781)	(3,047)	(3,215)	(1,644)	(1,840)
Change in fair value of the common stock warrant liability	—	—	(3,700)	(420)	(250)	300
Other expense, net	(22)	(781)	(6,747)	(3,635)	(1,894)	(1,540)
Loss before income taxes	(9,980)	(10,624)	(24,926)	(38,447)	(16,901)	(19,598)
Provision for (benefit from) income taxes	21	(3,954)	(8,174)	(13,713)	(6,109)	(2,722)
Net loss	$ (10,001)	$ (6,670)	$ (16,752)	$ (24,734)	$ (10,792)	$ (16,876)
Net loss per share, basic and diluted	$ (0.12)	$ (0.03)	$ (0.08)	$ (0.12)	$ (0.05)	$ (0.08)
Weighted average common shares outstanding, basic and diluted	82,250,000	200,094,118	200,445,411	202,895,292	202,486,866	203,535,687
Pro forma net loss per share, basic and diluted (unaudited)(4)				$		$
Pro forma weighted average common shares, basic and diluted (unaudited)						

(1) The following table presents the stock-based compensation expense included in each respective expense category:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
			(in thousands)			
Cost of revenues	$ 86	$ —	$ 249	$ 466	$ 225	$ 275
Sales and marketing	124	—	1,059	2,418	1,145	1,333
Research and development	330	—	229	588	260	334
General and administrative	360	—	480	2,025	680	1,232
	$ 900	$ —	$ 2,017	$ 5,497	$ 2,310	$ 3,174

(2) The following table presents the amortization of intangible assets included in each respective expense category:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31, 2014	Year Ended December 31, 2015	Six Months Ended June 30, 2015	Six Months Ended June 30, 2016
			(in thousands)			
Cost of revenues	$ —	$ 2,048	$ 6,139	$ 6,139	$ 3,069	$ 3,069
Sales and marketing	—	1,162	3,487	3,487	1,744	1,744
General and administrative	—	821	2,466	2,466	1,233	1,233
	$ —	$ 4,031	$ 12,092	$ 12,092	$ 6,046	$ 6,046

(3) General and administrative expenses include a decrease in fair value of contingent consideration of $781,000 for the year ended December 31, 2014, and increases in fair value of contingent consideration of $41,000, $26,000, and $143,000 for the year ended December 31, 2015 and six months ended June 30, 2015 and 2016, respectively.

(4) Pro forma basic and diluted net loss per share for the year ended December 31, 2015 and the six months ended June 30, 2016 has been computed to give effect to the issuance of and shares of common stock, respectively, that would have been required to be issued to repay the then outstanding credit facility balance, including the prepayment premium, assuming the issuance of such shares at the assumed initial public offering price of $ per share which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Also, the numerator in the pro forma basic and diluted net loss per share calculation for the year ended December 31, 2015 and the six months ended June 30, 2016 have been adjusted to reverse the interest expense on our credit facility, net of tax, of $2.1 million and $1.6 million, respectively. The pro forma net loss per share does not include the proceeds to be received from the assumed initial public offering, or shares expected to be sold in the initial public offering, except for those shares necessary to be issued to repay the credit facility.

Consolidated Balance Sheet Data:

	As of December 31,			As of June 30, 2016	
	2013	2014	2015	Actual	Pro Forma(1)
			(in thousands)		
Cash and cash equivalents	$ 14,855	$ 25,707	$ 15,205	$ 13,647	$
Total assets	275,025	285,550	286,750	282,798	
Deferred revenue	17,328	34,574	52,750	60,501	
Capital lease obligations, net of current portion	—	—	558	434	
Long-term debt	23,132	25,673	28,267	34,399	
Total stockholders' equity	193,852	183,947	166,168	152,812	

(1) The pro forma balance sheet gives effect to (i) the issuance of shares of our common stock in this offering, at an assumed initial public offering price of $ per share which is the midpoint of the estimated offering price range set forth on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the use of proceeds from the offering to repay amounts outstanding under our credit facility at June 30, 2016, including the prepayment premiums, each as if such events had occurred on June 30, 2016.

Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

	December 31,			June 30,	
	2013	2014	2015	2015	2016
Dollar-based net revenue retention rate	120%	118%	120%	120%	119%
Number of customers (as of end of period)	738	987	1,338	1,145	1,523
Number of users (as of end of period)	67,387	93,665	128,726	111,383	147,466

Dollar-based net revenue retention rate. We believe that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and our ability to retain and grow our relationships with existing customers over time. We calculate dollar-based net revenue retention rate as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one year period but does include the effect of customers who terminated during the period. We define implied monthly subscription and support revenue as the total amount of minimum subscription and support revenue contractually committed to, under each of our customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement.

Number of customers. We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the 2013 Predecessor Period, the

2013 Successor Period, the years ended December 31, 2014 and 2015 and the six months ended June 30, 2015 and 2016, no single customer accounted for more than 10% of our total revenues.

Number of users. Since our customers generally pay fees based on the number of users of our platform within their organization, we believe the total number of users is an indicator of the growth of our business.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the non-GAAP measures below are useful to us and our investors in evaluating our business. These non-GAAP financial measures are useful because they provide consistency and comparability with our past performance, facilitate period-to-period comparisons of operations, and facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

	Year Ended December 31,			Six Months Ended June 30,	
	2013	2014	2015	2015	2016
	(in thousands, except percentages)				
Non-GAAP Revenues	$38,012	$56,629	$ 83,607	$37,472	$ 55,587
Non-GAAP Gross Profit	$29,714	$46,419	$ 67,483	$30,327	$ 44,928
Non-GAAP Gross Margin	78.2%	82.0%	80.7%	80.9%	80.8%
Non-GAAP Net Loss	$ (1,604)	$ (2,550)	$(20,114)	$ (8,059)	$(10,424)

Non-GAAP Revenues. We define non-GAAP revenues as our GAAP revenues adjusted for the impact of purchase accounting resulting from the Acquisition. Upon the Acquisition, deferred revenue at the Acquisition date was recorded at fair value, resulting in a reduction from its then carrying value. This reduction resulted in reduced revenue in the 2013 Successor Period and for the year ended December 31, 2014. Our non-GAAP revenues for the year ended December 31, 2013 combines the GAAP revenues for the 2013 Predecessor Period and the 2013 Successor Period adjusted for by the purchase accounting adjustment. We believe that presenting non-GAAP revenues is useful to investors as it more fully reflects our core revenue growth rate during 2013 and 2014 and allows a direct comparison of revenues between periods. The purchase accounting adjustments to revenues related to the Acquisition did not affect our revenues for the year ended December 31, 2015 and will not affect our revenues for future periods.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. We define non-GAAP gross profit as our non-GAAP revenues less our GAAP cost of revenue adjusted for the amortization of acquired developed technology resulting from the Acquisition and stock-based compensation. We define non-GAAP gross margin as our non-GAAP gross profit divided by our non-GAAP revenues. We believe that presenting non-GAAP gross margin is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison of gross margin between periods.

Non-GAAP Net Loss. We define non-GAAP net loss as our GAAP net loss adjusted for the impact of the benefit from income taxes, stock-based compensation, amortization of acquired intangible assets resulting from the Acquisition, accretion of debt discount pertaining to our 2013 Term Loan, accretion of warrant discount relating to warrants issued in connection with our 2013 Term Loan, the adjustment to revenues for the impact of purchase accounting resulting from the Acquisition, the change in the fair value of contingent consideration, the change in fair value of the common stock warrant liability, Acquisition-related costs and one-time cash payments to stock option holders.

The benefit from income taxes excluded from our GAAP net loss represents domestic state and federal tax benefits that we were able to recognize as a result of the deferred tax liabilities associated with the intangible assets established upon the Acquisition. During 2016, our cumulative deferred tax

assets, which comprise primarily of net operating losses, are expected to exceed our deferred tax liabilities, and because of our recent history of operating losses we believe that the realization of the deferred tax assets is not more likely than not. Accordingly, we have established a valuation allowance against our deferred tax assets. For 2016 we will no longer be able to fully recognize a tax benefit which will result in a lower effective income tax benefit than for the years ended December 31, 2014 and 2015. Accordingly, we believe that presenting non-GAAP net loss without this income tax benefit is useful to investors to enhance comparability of our results among periods. We have not excluded income tax expense relating to our international operations as we expect that this will continue to be reflected in our future statements of operations.

We have excluded the effect of stock-based compensation expense in calculating our non-GAAP net loss. Although stock-based compensation is a key incentive offered to our employees, we continue to evaluate our performance excluding stock-based compensation expense. We record stock-based compensation expense related to grants of options and, depending on the size, timing, and the terms of the grants, stock-based compensation expense may vary significantly.

Amortization of intangibles includes the amortization expense associated with the developed technology, trademarks, non-compete agreements, and customer relationships that were capitalized as a result of the Acquisition. These amortization expenses would not have been incurred absent the Acquisition and are excluded from GAAP net loss to enhance comparability to competitors that did not undergo a similar transaction or recognize similar intangible assets.

We incurred additional indebtedness to fund the Acquisition, and this indebtedness gave rise to debt and warrant discounts that we accrete through interest expense. The accretion of debt and warrant discounts were excluded from GAAP net loss as these costs would not have been incurred without the Acquisition. The accretion of debt discounts for financing transactions not used to fund the Acquisition were not included in the reconciliation to non-GAAP net income (loss) as these financings were used to finance general corporate matters.

The purchase accounting adjustment to revenue impacted the 2013 and 2014 periods, and, as a result, these amounts have been excluded from GAAP loss to enhance comparability to other periods presented.

Contingent consideration represents the cash consideration required to be paid to certain equity holders if we realize a tax benefit from the net operating losses generated from stock options exercised concurrent with the Acquisition. Changes in the fair value of contingent consideration liability primarily reflects changes in the expected timing of our ability to utilize the net operating losses. This liability would not exist had the Acquisition not occurred and thus we exclude changes in the fair value of contingent consideration from our GAAP net loss.

Common stock warrants were issued in conjunction with debt used to fund the Acquisition and the value of these warrants is impacted by a number of factors not directly attributable to our financial performance, including factors affecting our stock price and the volatility of peer companies' stock price. Accordingly, for our internal financial measures we exclude the change in the fair value of common stock warrants from our GAAP net loss.

Both acquisition-related costs as well as compensation costs for payments to stock option holders were a direct result the Acquisition and due to the fact they have not recurred in the subsequent periods presented, we have excluded them from GAAP net loss for the 2013 period to enhance comparability of our results between periods.

We believe that presenting non-GAAP net loss is useful to investors as it eliminates the impact of items that have been impacted by the Acquisition, purchase accounting and other related costs in order to allow a direct comparison of net loss between all periods presented.

Our non-GAAP financial measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. First, non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss are not substitutes for revenue, gross profit, gross margin and net loss, respectively. Second, these non-GAAP financial measures may not provide information directly comparable to measures provided by other companies in our industry, as those other companies may calculate their non-GAAP financial measures differently, particularly related to adjustments for acquisition accounting and non-recurring expenses. Third, these non-GAAP measures exclude certain recurring expenses that have been and will continue to be significant expenses of our business.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of revenues, gross profit, gross margin and net loss, the most comparable GAAP measures, to non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss:

	2013 Predecessor Period	2013 Successor Period	Year Ended December 31,			Six Months Ended June 30,	
			2013 Combined	2014	2015	2015	2016
	(in thousands, except percentages)						
Non-GAAP Revenues:							
Revenues	$ 23,384	$ 8,583	$ 31,967	$ 51,677	$ 83,607	$ 37,472	$ 55,587
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Total Non-GAAP Revenues	$ 23,384	$ 14,628	$ 38,012	$ 56,629	$ 83,607	$ 37,472	$ 55,587
Non-GAAP Gross Profit:							
Gross Profit	$ 17,797	$ 3,738	$ 21,535	$ 35,079	$ 60,878	$ 27,033	$ 41,584
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Amortization of developed technology	—	2,048	2,048	6,139	6,139	3,069	3,069
Stock-based compensation expense	86	—	86	249	466	225	275
Total Non-GAAP Gross Profit	$ 17,883	$ 11,831	$ 29,714	$ 46,419	$ 67,483	$ 30,327	$ 44,928
Gross Margin	76.1%	43.6%	67.4%	67.9%	72.8%	72.1%	74.8%
Non-GAAP Gross Margin	76.5%	80.9%	78.2%	82.0%	80.7%	80.9%	80.8%
Non-GAAP Net Loss:							
Net Loss	$ (10,001)	$ (6,670)	$ (16,671)	$(16,752)	$(24,734)	$(10,792)	$(16,876)
Benefit from income taxes	—	(3,972)	(3,972)	(8,282)	(13,934)	(6,151)	(2,895)
Stock-based compensation expense	900	—	900	2,017	5,497	2,310	3,174
Amortization of acquired intangible assets	—	4,031	4,031	12,092	12,092	6,046	6,046
Accretion of debt discount	—	57	57	228	228	114	146
Accretion of warrant discount	—	74	74	276	276	138	138
Purchase accounting adjustment to revenue	—	6,045	6,045	4,952	—	—	—
Change in fair value of contingent consideration	—	—	—	(781)	41	26	143
Change in fair value of common stock warrant liability	—	—	—	3,700	420	250	(300)
Acquisition-related costs	5,586	1,634	7,220	—	—	—	—
Compensation costs for payments to stock option holders in association with the Acquisition	712	—	712	—	—	—	—
Total Non-GAAP Net Loss	$ (2,803)	$ 1,199	$ (1,604)	$ (2,550)	$(20,114)	$ (8,059)	$(10,424)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with our consolidated financial statements and accompanying notes included elsewhere within this prospectus. This discussion includes both historical information and forward-looking information that involves risk, uncertainties and assumptions. Our actual results may differ materially from management's expectations as a result of various factors, including, but not limited to, those discussed in the section entitled "Risk Factors."

Overview

We have created a comprehensive cloud-based software platform designed to transform and modernize accounting and finance operations for organizations of all types and sizes. Our secure, scalable platform supports critical accounting processes such as the financial close, account reconciliations, intercompany accounting and controls assurance. By introducing software to automate these processes and to enable them to function continuously, we empower our customers to improve the integrity of their financial reporting, increase efficiency in their accounting and finance processes and enhance real-time visibility into their operations.

We began operations in 2002 and, in 2004, we were engaged by one of our customers to build custom software to manage their account reconciliations. Because we observed that many accounting processes were managed and tracked with spreadsheets that required manual reconciliation on a periodic basis, which were expensive, labor-intensive, inefficient and subject to error, we believed that other companies could benefit from automated accounting and finance tools and we began licensing our account reconciliation software to other customers. In 2005, we began offering a Software as a Service, or SaaS, platform to provide greater and easier scalability for our customers, and have exclusively sold SaaS solutions since 2009.

As of June 30, 2016, we had more than 1,500 customers with over 147,000 users in approximately 120 countries. Additionally, we continue to build strategic relationships with technology vendors, professional services firms, business process outsourcers and resellers.

We are a holding company and conduct our operations through our wholly-owned subsidiary, BlackLine Systems, Inc. BlackLine Systems, Inc. funded its business with investments from our founder and cash flows from operations until September 3, 2013, when we acquired BlackLine Systems, Inc. and Silver Lake Sumeru and Iconiq acquired a controlling interest in us, which we refer to as the "Acquisition." We refer to Silver Lake Sumeru and Iconiq collectively as our "Investors." The Acquisition was accounted for as a business combination under GAAP and resulted in a change in accounting basis as of the date of the Acquisition.

Our platform consists of seven core cloud-based products, including Account Reconciliation, Task Management, Transaction Matching, Journal Entry, Variance Analysis, Consolidation Integrity Manager and Daily Reconciliation. Customers typically purchase these products in packages that we refer to as solutions, but they have the option to purchase these products individually. Current solutions include Reconciliation Management and Financial Close Management. Our platform also includes two new solutions, Intercompany Hub and Insights, which were introduced in November 2015.

We derived approximately 95% of our revenue from subscriptions to our cloud-based software platform and approximately 5% from professional services for the six months ended June 30, 2016. The majority of subscriptions are sold through one-year non-cancellable contracts, with a growing

percentage of subscriptions sold through three-year non-cancellable contracts. We price our subscriptions based on a number of factors, primarily the number of users having access to the products and the number of products purchased by the customer. Subscription revenue is recognized ratably over the term of the customer agreement. The first year of subscription fees are typically payable within 30 days after execution of a contract, and thereafter upon renewal.

Professional services consist of implementation and consulting services. Although our platform is ready to use immediately after a new customer has access to it, we typically help customers implement our solutions for a fixed fee which is initially recorded as deferred revenue and recognized on a proportional performance basis as the services are performed. We also provide consulting services to help customers optimize the use of our products. We charge customers for our consulting services on a time-and-materials basis and we recognize that revenue as services are performed.

We typically invoice customers annually in advance for annual and multi-year subscriptions and invoice in advance or on a time-and-materials basis for professional services. We record amounts invoiced for portions of annual subscription periods that have not occurred or services that have not been performed as deferred revenue on our balance sheet.

We sell our platform primarily through our direct sales force, which leverages our relationships with technology vendors, professional services firms and business process outsourcers. In particular, we have a strategic relationship with SAP. Our solution is an SAP endorsed business solution that integrates with SAP's ERP solutions. Under our agreement with SAP, which we entered into in 2013, we pay SAP a fee based on a percentage of revenues from our new customers that use an SAP ERP system. We continue to pay SAP a fee for these customers over the term of their subscription agreements. For the six months ended June 30, 2016, revenues from our customers under this agreement accounted for $8.8 million, or approximately 16%, of our total revenues. For the year ended December 31, 2015, revenues from our customers under this agreement accounted for $9.4 million, or approximately 11%, of our total revenues. Additionally, we are expanding our channel of resellers, particularly in markets outside of the United States.

We target our sales and marketing efforts at both enterprise and mid-market businesses. We define the enterprise market as companies with greater than $500 million in annual revenue, and we define mid-market as companies with between $50 and $500 million in annual revenue. For the six months ended June 30, 2016, sales to enterprise and mid-market customers represented 83% and 17% of our revenues, respectively. For the years ended December 31, 2014 and 2015, sales to enterprise customers represented 90% and 86% of our revenues, respectively, while sales to mid-market customers represented 10% and 14% of our revenues, respectively. Additionally, we target our efforts at both new customers and existing customers. Existing customers may renew their subscriptions and broaden the deployment of our platform across their organizations by increasing the number of users accessing our platform or by adding additional products. We have historically signed a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the fourth quarter of each year and usually during the last month of the quarter. This can be attributed to buying patterns typical in the software industry. As the terms of most of our customer agreements are measured in full year increments, agreements initially entered into the fourth quarter or last month of any quarter will generally come up for renewal at that same time in subsequent years. This seasonality is reflected in our revenues, though the impact to overall annual or quarterly revenues is minimal due to the fact that we recognize subscription revenue ratably over the term of the customer contract.

We believe the addressable market for our platform is large and growing. According to a study we commissioned with Frost & Sullivan, in 2015 there were more than 165,000 corporate organizations worldwide that are in our addressable market with revenues greater than $50 million. As a result, we expect to continue to grow our direct sales team and to expand our relationships with technology

vendors, professional services firms, business process outsourcers and resellers. We also intend to continue to invest in research and development to extend the functionality of our platform and develop new solutions and features.

We have experienced significant revenue growth and adoption of our platform. Prior to the Acquisition, we funded our business with investments from our founder and cash flows from operations. More recently, we have accelerated investment in our business in 2014 and 2015, including expansion of our software and development teams and our sales force as well as our international presence.

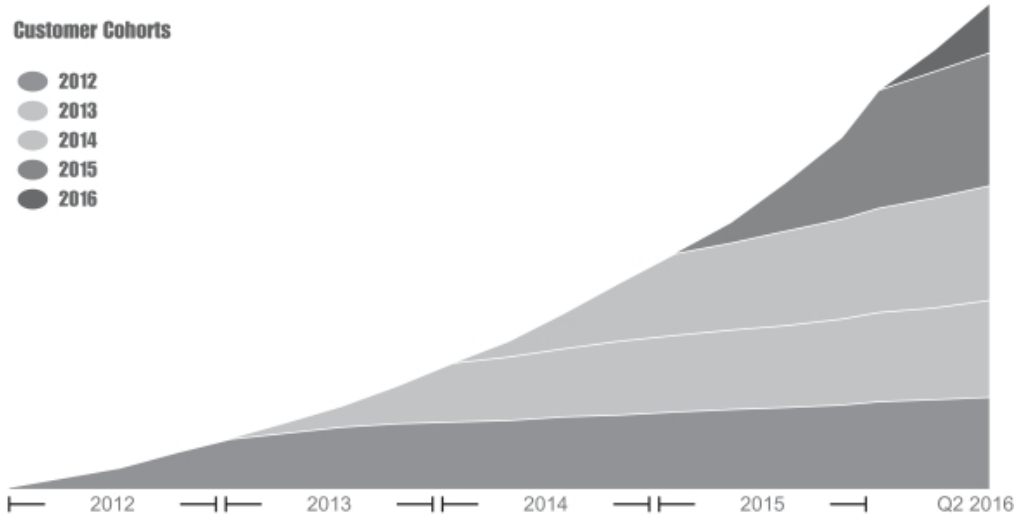
For the years ended December 31, 2014 and 2015, we had revenues of $51.7 million and $83.6 million, respectively, and we incurred net losses of $16.8 million and $24.7 million, respectively. For the six months ended June 30, 2015 and 2016, we had revenues of $37.5 million and $55.6 million, respectively, and we incurred net losses of $10.8 million and $16.9 million, respectively.

Factors Affecting Performance

We believe that our future performance will depend on many factors, including those described below. While these areas present significant opportunity, they also present risks that we must manage to achieve successful results. See the section titled “Risk Factors.” If we are unable to address these challenges, our business and operating results could be adversely affected.

Expansion and Further Penetration of Our Customer Base. We employ a land-and-expand sales strategy that focuses on efficiently acquiring new customers and growing our relationships with existing customers over time. As the chart below illustrates, we have a history of attracting new customers and expanding their revenue with us over time. Building upon this success, we believe significant opportunity exists for us to acquire new customers in both the enterprise and mid-market segments across all geographies, as well as expand the use of our platform by selling additional products and increasing the number of users within our current customers’ organizations.

Total Annualized Subscription and Support Revenue by Customer Cohort



The chart reflects annualized subscription and support revenue for the group of customers that became our customers in each respective cohort year. A “cohort” is a grouping of customers by the year specified. For instance, the 2012 cohort includes all customers whose contract start date is between January 1, 2012 and December 31, 2012. We calculate annualized subscription and support revenue at a particular date as the total amount of minimum subscription and support revenue contractually committed under each of our customer agreements for that month through the remaining term of the agreement, divided by the remaining number of months in the term of the agreement, multiplied by twelve. Our annualized subscription and support revenue as of June 30, 2016 for each of our 2012, 2013, 2014 and 2015 customer cohorts represented an increase over the initial annualized subscription and support revenue for such customer cohorts of 2.9x, 2.1x, 1.8x and 1.3x, respectively. We calculate initial annualized subscription and support revenue for any given cohort year as the sum of annualized subscription and support revenue as of the first month of each customer agreement that was entered into within that given cohort year. Accordingly, in contrast to annualized subscription and support revenue, initial annualized subscription and support revenue does not reflect any changes in the payments due under or the duration of customer agreements following the first month of the customer agreement.

Investment in Growth. We plan to continue to invest in our business so that we can capitalize on our market opportunity. We intend to continue to grow our global sales and marketing team to acquire new customers and to increase sales to existing customers. We intend to continue to grow our research and development team to extend the functionality and range of our applications to bring new and improved solutions to accounting and finance. However, we expect our sales and marketing expenses and research and development expenses as a percentage of revenues to decrease over time as we grow our revenues and gain economies of scale by increasing our customer base and increase sales to our existing customer base. We believe that these investments will contribute to our long-term growth, although they may adversely affect our profitability in the near term.

Leveraging Strategic Relationships. We plan to continue to strengthen and expand our relationships with technology vendors, professional services firms, business process outsourcers and resellers. These relationships enable us to increase the speed of deployment and offer a wider range of integrated services to our customers. We intend to support these existing relationships, seek additional relationships and further expand our channel of resellers to help us increase our presence in existing markets and to expand into new markets. Our business and results of operations will be significantly affected by our success in leveraging and expanding these relationships.

Market Adoption of Our Platform. A key focus of our sales and marketing efforts is creating market awareness about the benefits of our cloud-based SaaS platform. The market for SaaS solutions for accounting and finance is less mature than the market for on-premise accounting and finance software applications, and potential customers may be slow or unwilling to migrate from their legacy solutions such as spreadsheets, manual processes or home grown solutions. It is difficult to predict customer adoption rates and demand, the future growth rate and size of the SaaS platform for accounting and finance market or the entry of competitive solutions. Our business and operating results will be significantly affected by the degree to and speed with which organizations adopt our solutions.

Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

	December 31,			June 30,	
	2013	2014	2015	2015	2016
Dollar-based net revenue retention rate	120%	118%	120%	120%	119%
Number of customers (as of end of period)	738	987	1,338	1,145	1,523
Number of users (as of end of period)	67,387	93,665	128,726	111,383	147,466

Dollar-based net revenue retention rate. We believe that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and our ability to retain and grow our relationships with existing customers over time. We calculate dollar-based net revenue retention rate as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one year period but does include the effect of customers who terminated during the period. We define implied monthly subscription and support revenue as the total amount of minimum subscription and support revenue contractually committed to, under each of our customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement.

Number of customers. We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the years ended December 31, 2014 and 2015, and the six months ended June 30, 2015 and 2016, no single customer accounted for more than 10% of our total revenues.

Number of users. Since our customers generally pay fees based on the number of users of our platform within their organization, we believe the total number of users is an indicator of the growth of our business.

Key Components of our Results of Operations

Revenues

Subscription and support. The majority of subscriptions are sold through one-year non-cancellable contracts and a growing percentage of subscriptions are sold through three-year non-cancellable contracts. Fees are based on a number of factors, including the number of users having access to the products and the number of products purchased by the customer. The first year of subscription fees are typically payable within 30 days after execution of a contract, and thereafter upon renewal. We initially record the subscription fees as deferred revenue and recognize revenue on a straight-line basis over the term of the agreement. At any time during the subscription period, customers may increase their number of users and add products. Additional fees are payable for the remainder of the initial or renewed contract term. Customers may only reduce their number of users or subscription to products upon renewal of their arrangement. Revenues from subscriptions to our cloud-based software platform comprised approximately 95% of our revenues for the six months ended June 30, 2016.

Subscription and support revenues also include revenues associated with sales of on-premise software licenses, which we sold prior to our migration to SaaS, and related support. We no longer develop any new applications or functionality for on-premise software licensed to customers, but we continue to provide post-contract support to approximately 20 customers that had not migrated to our SaaS solution as of December 31, 2015. Revenues related to annual renewals of post-contract support are recognized on a straight-line basis over the support period and comprised approximately less than one-half of 1% of total revenues for the six months ended June 30, 2016.

Professional services. We offer our customers implementation and consulting services. Although our platform is ready to use immediately after a new customer has access to it, we typically help customers implement our solutions for a fixed fee and we recognize revenue over the period such services are performed. We also provide consulting and training services to help customers optimize the use of our products. We charge customers for our consulting and training services on a time-and-materials basis and we recognize revenue as services are performed. Professional services revenues comprised approximately 5% of our revenues for the six months ended June 30, 2016.

For a description of our revenue accounting policies, see “Critical Accounting Policies and Estimates.”

Cost of Revenues

Subscription and support cost of revenues. Subscription and support cost of revenues primarily consists of amortization of developed technology costs resulting from the Acquisition, salaries, benefits and stock-based compensation associated with our hosting operations and support personnel, data center costs related to hosting our cloud-based software and amortization of capitalized internal-use software costs. We also allocate a portion of overhead to subscription and support cost of revenues.

Professional services costs of revenues. Costs associated with providing professional services primarily consist of salaries, benefits and stock based compensation associated with our implementation personnel. These costs are expensed as incurred when the services are performed. We also allocate a portion of overhead to professional services cost of revenues.

Operating Expenses

Sales and marketing. Sales and marketing expenses consist primarily of personnel costs of our sales and marketing employees, including salaries, sales commissions and incentives, benefits and stock-based compensation expense, travel and related costs, commissions paid in connection with our strategic relationships, outside consulting fees, marketing programs, including lead generation, costs of our annual conference, advertising and trade shows, other event expenses and allocated overhead costs. We defer sales and partner commissions and amortize them ratably over the term of the corresponding subscription agreement. Sales and marketing expenses also include amortization of customer relationship intangible assets. We expect sales and marketing expenses will increase as we expand our direct sales teams and increase sales through our strategic relationships and resellers.

Research and development. Research and development expenses consist primarily of salaries, benefits and stock-based compensation associated with our engineering, product and quality assurance personnel and allocated overhead costs. Research and development expenses also include the cost of third-party contractors. Other than internal-use software development costs that qualify for capitalization, research and development costs are expensed as incurred. We expect research and development costs to increase as we develop new solutions and make improvements to our existing platform.

General and administrative. General and administrative expenses consist primarily of salaries, benefits and stock-based compensation associated with our executive, finance, legal, human resources, compliance and other administrative personnel, accounting, auditing and legal professional services fees, recruitment costs, other corporate-related expenses and allocated overhead costs. General and administrative expenses also include amortization of covenant not to compete and tradename intangible assets. We expect that general and administrative expenses will increase as we incur the costs of compliance associated with being a publicly-traded company, including legal, audit and consulting fees.

Interest Income (Expense)

Interest income (expense), net consists primarily of interest expense from borrowings under our credit facility and amortization of debt discounts and issuance costs.

Change in Fair Value of Common Stock Warrant Liabilities

We have issued warrants to purchase common stock in connection with our credit facility. The warrants are measured at fair value each period, with changes in fair value recorded in our consolidated statement of operations. The warrants will continue to be measured at fair value each period until the earlier of their exercise or termination. Increases in the fair value of our common stock will result in an increase in the fair value of our common stock warrant liability and a corresponding increase in our net loss.

Benefit from Income Taxes

We are subject to federal and state income taxes in the United States and taxes in foreign jurisdictions. As of December 31, 2015, for federal and state jurisdictions outside of the State of California we were in a net deferred tax liability position primarily as a result of intangible assets acquired in the Acquisition. These deferred tax liabilities have been an available source of income to realize our losses and accordingly, we have recorded an income tax benefit in our statement of operations. We will be required to record a valuation allowance against our deferred tax assets to the extent that realization of the deferred tax assets, including consideration of our deferred tax liabilities, is not more likely than not. As of December 31, 2015, for the State of California income taxes, our deferred assets exceeded our deferred tax liabilities, and given our cumulative losses, we believe that it is not more likely than not these deferred tax assets will be realized. Accordingly, we recorded a valuation allowance on these net state deferred tax assets. We anticipate that in 2016 our deferred tax assets for federal and non-California jurisdictions, arising principally from our cumulative losses, will exceed our deferred tax liabilities, and given uncertainty as to their realization, we will be required to record a valuation allowance against all our U.S. deferred tax assets.

Our effective tax rate for the periods presented differs from the U.S. federal tax rate of 34% due to state taxes, expenses not deductible for income tax purposes including the change in fair value of common stock warrants, acquisition related costs, other tax credits and the valuation allowance on our California net deferred tax assets. Our effective tax rate in the future will change to the extent we are required to record a valuation allowance on our non-California net deferred tax assets.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the non-GAAP measures below are useful to us and our investors in evaluating our business. These non-GAAP financial measures are useful because they provide consistency and comparability with our past performance, facilitate period-to-period comparisons of operations and facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

	Year Ended December 31,			Six Months Ended June 30,	
	2013	2014	2015	2015	2016
	(in thousands, except percentages)				
Non-GAAP Revenues	$38,012	$56,629	$ 83,607	$37,472	$ 55,587
Non-GAAP Gross Profit	$29,714	$46,419	$ 67,483	$30,327	$ 44,928
Non-GAAP Gross Margin	78.2%	82.0%	80.7%	80.9%	80.8%
Non-GAAP Net Loss	$ (1,604)	$ (2,550)	$ (20,114)	$ (8,059)	$(10,424)

For additional information and our reconciliation of Non-GAAP financial measures to GAAP, refer to “Selected Consolidated Financial Data—Non-GAAP Financial Measures.”

Recent Developments

On August 31, 2016, we completed our acquisition of Runbook Company B.V., a Netherlands based provider of financial close automation software and integration solutions for SAP customers. We acquired Runbook to enhance the connectivity and integration of our platform to SAP and other systems. We believe this acquisition enhances our position as a leading provider of software solutions to automate the financial close process for SAP customers and supports our European expansion strategy.

The aggregate purchase consideration of $34 million for the Runbook acquisition, which is subject to final working capital adjustments, was paid in cash on the acquisition date. The estimated purchased working capital includes approximately $3 million in cash. We amended our credit facility to add an additional $30 million term loan and used the proceeds and cash on hand to fund the acquisition. The financial information in this prospectus does not give pro forma effect to the acquisition of Runbook. The acquisition did not meet the significance thresholds under the applicable SEC rules and regulations requiring pro forma financial information for the acquisition or separate financial statements of Runbook.

We will account for the Runbook acquisition as a business combination, which will result in the following principal impacts on our financial statements:

- increase in operating expenses due to Runbook’s operations;
- increase in amortization costs resulting from the acquisition of intangible assets;
- increase in interest expense resulting from the additional $30 million term loan; and
- increase in exposure to foreign currencies, primarily the Euro.

Results of Operations

On September 3, 2013, we acquired BlackLine Systems, Inc. and Silver Lake Sumeru and Iconiq acquired a controlling interest in us, which we refer to as the “Acquisition. We accounted for the Acquisition

as a business combination, which resulted in a new basis of accounting. The Acquisition resulted in the following principal impacts on our financial statements:

- A reduction in revenues for the year ended December 31, 2014 as a result of the deferred revenue at the Acquisition date being recorded at fair value at an amount less than its then carrying value;
- Increased amortization costs resulting from recording of intangible assets at fair value. We record amortization of acquired developed technology in cost of revenues, amortization of customer relationships in sales and marketing expenses, and amortization of covenants not to compete and tradename intangible assets in general and administrative expenses;
- Contingent consideration issued as part of the Acquisition is recorded at fair value each period with changes in fair value recorded in general and administrative costs;
- Prior to the Acquisition, BlackLine Systems, Inc. was an S-Corporation, where its earnings flowed through to its shareholders. Post-Acquisition, we are a C-Corporation and are subject to federal and state income taxes in the United States, which resulted in a significant change in our tax provision or tax benefit and our deferred tax assets and liabilities, including $70.3 million in federal and $65.6 million in the State of California net operating loss carryforwards, as of December 31, 2015; and
- Shortly after the Acquisition we issued debt, which increased our interest expense for periods post-Acquisition.

The following table sets forth our statements of operations for each of the periods indicated in dollars.

	Year Ended December 31,		Six Months Ended June 30,	
	2014	2015	2015	2016
	(In thousands)			
Revenues				
Subscription and support	$ 49,029	$ 80,080	$ 35,880	$ 52,977
Professional services	2,648	3,527	1,592	2,610
Total revenues	51,677	83,607	37,472	55,587
Cost of revenues				
Subscription and support	14,380	19,773	9,101	12,075
Professional services	2,218	2,956	1,338	1,928
Total cost of revenues	16,598	22,729	10,439	14,003
Gross profit	35,079	60,878	27,033	41,584
Operating expenses				
Sales and marketing	31,837	56,546	24,954	37,242
Research and development	9,705	18,216	8,034	10,465
General and administrative	11,716	20,928	9,052	11,935
Total operating expenses	53,258	95,690	42,040	59,642
Loss from operations	(18,179)	(34,812)	(15,007)	(18,058)
Other expense:				
Interest expense, net	(3,047)	(3,215)	(1,644)	(1,840)
Change in fair value of the common stock warrant liability	(3,700)	(420)	(250)	300
Other expense, net	(6,747)	(3,635)	(1,894)	(1,540)
Loss before income taxes	(24,926)	(38,447)	(16,901)	(19,598)
Benefit from income taxes	(8,174)	(13,713)	(6,109)	(2,722)
Net loss	$ (16,752)	$ (24,734)	$ (10,792)	$ (16,876)

Comparison of Six Months Ended June 30, 2015 and 2016

Total revenues

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Subscription and support	$35,880	$52,977	$17,097	47.7%
Professional services	1,592	2,610	1,018	63.9%
Total revenues	$37,472	$55,587	$18,115	48.3%

Total revenues increased for the six months ended June 30, 2016 as compared to the same period of 2015 primarily due to a 33% increase in the number of customers, a 32% increase in the number of users added by existing customers and an increase in the number of products purchased by existing customers.

Total cost of revenues

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Subscription and support	$ 9,101	$12,075	$2,974	32.7%
Professional services	1,338	1,928	590	44.1%
Total cost of revenues	$10,439	$14,003	$3,564	34.1%
Gross margin	72.1%	74.8%		

Total cost of revenues increased primarily due to a $2.5 million increase in salaries, benefits and stock-based compensation and a $0.5 million increase in amortization of capitalized software costs. Salaries, benefits and stock-based compensation increased primarily due to growth in headcount, which increased by 52% between June 30, 2015 and 2016. Amortization of our capitalized software development costs increased due to larger total capitalized costs as we expanded the functionality of our solutions.

The improvement in gross margin was primarily the result of amortization of developed technology included in our cost of revenues which is a fixed cost each period. Accordingly, an increase in revenues resulted in an improvement in our gross margin.

Sales and marketing

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Sales and marketing	$24,954	$37,242	$12,288	49.2%
Percentage of total revenues	66.6%	67.0%		

Sales and marketing expense increased primarily due to a $8.1 million increase in salaries, sales commissions and incentives and stock-based compensation, a $1.4 million increase in commissions payable to third parties that refer customers to us, a $0.7 million increase in travel and related costs, a $0.9 million increase in outside consulting fees, and a $0.4 million increase in advertising and trade

show costs. The increase in salaries, sales commissions and incentives and stock-based compensation was primarily driven by an increase in headcount and revenue growth. Our sales and marketing headcount increased by 40% between June 30, 2015 and 2016. The increase in commissions payable to third parties was primarily driven by the expansion of our relationships with technology vendors, including SAP. Travel and related costs have increased due to expansion of our sales organization. The increase in outside consulting fees was primarily due to an increase in digital marketing services.

Research and development

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Research and development	$8,034	$10,465	$2,431	30.3%
Percentage of total revenues	21.4%	18.8%		

Research and development expense increased primarily due to a $1.8 million increase in salaries, benefits and stock-based compensation and a $0.9 million increase in services provided by third-party contractors. These increases were partially offset by an increase in capitalized costs related to software development of $0.5 million. Our research and development headcount increased by 23% between January 1, 2015 and June 30, 2015 and decreased marginally between June 30, 2015 and June 30, 2016. The increase in headcount for the six months ended June 30, 2015 occurred primarily later in that period and so the increase was not fully reflected in salaries, benefits and stock-compensation until the 2016 period. The additional number of third-party contractors were used to further maintain, enhance and develop our platform.

General and administrative

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
General and administrative	$9,052	$11,935	$2,883	31.8%
Percentage of total revenues	24.2%	21.5%		

General and administrative increased primarily due to a $2.4 million increase in salaries, benefits and stock-based compensation due to an increase in headcount of 35% between June 30, 2015 and 2016 and stock option grants to new executive officers and other employees and a $0.3 million increase in facility related expenses.

Interest expense, net

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Interest expense, net	$(1,644)	$(1,840)	$ (196)	11.9%

Interest expense, net increased due to an increase in interest expense on a larger long-term debt principal balance. During the six months ended June 30, 2015 and 2016, we paid between 20% and 30% of our interest costs in cash and the remainder increased the principal balance.

Change in fair value of common stock warrant liability

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Change in fair value of common stock warrant liability	$(250)	$300	$ 550	(220.0%)

We value our common stock warrants using a binomial lattice model. The primary input into the binomial lattice model is the fair value of our common stock. The fair value of our common stock did not significantly change between December 31, 2014 and June 30, 2015 and between December 31, 2015 and June 30, 2016.

Income tax benefit

	Six Months Ended June 30,		Change	
	2015	2016	Amount	%
	(in thousands, except percentages)			
Benefit from income taxes	$(6,109)	$(2,722)	$3,387	(55.4%)

The effective tax rate for six months ended June 30, 2016 of 13.9% differs from the U.S. federal statutory rate of 34% primarily as a result state taxes, net of federal benefit, and valuation allowance for U.S. federal and state income taxes. The effective tax rate for six months ended June 30, 2015 of 36.1% differs from the U.S. federal statutory rate of 34% primarily as a result of state taxes, net of federal benefit, foreign taxes and a valuation allowance on State of California net deferred tax assets. We record a valuation allowance against our deferred tax assets to the extent that realization of the deferred tax assets, including consideration of its deferred tax liabilities, is not more likely than not. For the year ending December 31, 2016, for both federal and state income taxes, our deferred assets are estimated to exceed our deferred tax liabilities and because of our recent history of operating losses we believe that the realization of the deferred tax assets is currently not more likely than not. Accordingly, we have recorded a valuation allowance against our federal and state deferred tax assets. Taxes for international operations are not material for the six months ended June 30, 2015 and 2016.

Comparison Years Ended December 31, 2014 and 2015

Total revenues

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Subscription and support	$49,029	$80,080	$31,051	63.3%
Professional services	2,648	3,527	879	33.2%
Total revenues	$51,677	$83,607	$31,930	61.8%

Total revenues increased for the year ended December 31, 2015 as compared to 2014 primarily due to an increase in the number of customers, an increase in the number of users added by existing customers and an increase in the number of products purchased by existing customers. The increase in total revenues was also impacted by purchase accounting. Upon the Acquisition, deferred revenue was recorded at fair value, resulting in a reduction from its then carrying value. This reduction resulted in reduced revenue in the 2014 period by $5.0 million. There was no corresponding reduction in the 2015 period. Excluding the impact of this purchase accounting adjustment, our total revenue increased by 47.6% for the year ended December 31, 2015 as compared to 2014.

Total cost of revenues

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Subscription and support	$14,380	$19,773	$5,393	37.5%
Professional services	2,218	2,956	738	33.3%
Total cost of revenues	$16,598	$22,729	$6,131	36.9%
Gross margin	67.9%	72.8%		

Total cost of revenues increased primarily due to a $4.0 million increase in salaries, benefits and stock-based compensation, a $1.1 million increase in data center costs and a $0.6 million increase in amortization of capitalized software costs. Salaries, benefits and stock-based compensation increased primarily due to growth in headcount, which increased by 69% between December 31, 2014 and 2015. Costs associated with our datacenter increased due to costs of additional bandwidth associated with the growth in our customer base. Amortization of our capitalized software development costs increased due to larger total capitalized costs as we expanded the functionality of our solutions.

Our gross margin was 67.9% and 72.8% for the years ended December 31, 2014 and 2015, respectively. The improvement in gross margin was primarily the result of the impact of purchasing accounting adjustments, which reduced revenue in the 2014 period with no corresponding adjustment in 2015. In addition, amortization of developed technology included in our cost of revenues is a fixed cost each period. Accordingly, an increase in revenues resulted in an improvement in our gross margin.

Sales and marketing

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Sales and marketing	$31,837	$56,546	$24,709	77.6%
Percentage of total revenues	61.6%	67.6%		

Sales and marketing expense increased primarily due to a $16.4 million increase in salaries, sales commissions and incentives and stock-based compensation, a $2.4 million increase in commissions payable to third parties that refer customers to us, a $1.6 million increase in travel and related costs, a $1.0 million increase in advertising and trade shows and a $0.9 million increase in outside consulting fees. The increase in salaries, sales commissions and incentives and stock-based compensation was primarily driven by an increase in headcount and revenue growth. Our sales and marketing headcount increased by 59% between December 31, 2014 and 2015. The increase in commissions payable to third parties was primarily driven by the expansion of our relationships with technology vendors, including SAP. The increase in advertising and trade shows was primarily due to an increase in our marketing efforts. The increase in outside consulting fees was primarily due to an increase in digital marketing services.

Research and development

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Research and development	$ 9,705	$18,216	$8,511	87.7%
Percentage of total revenues	18.8%	21.8%		

Research and development expense increased primarily due to a $5.5 million increase in salaries, benefits and stock-based compensation due to an increase in headcount and a $3.2 million increase in services provided by third-party contractors. These increases were partially offset by an increase in capitalized costs related to software development of $0.7 million. Our research and development headcount increased by 32% between December 31, 2014 and 2015. Costs of third-party contractors increased by 238% between 2014 and 2015. The additional headcount and number of third-party contractors were used to further maintain, enhance and develop our platform.

General and administrative

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
General and administrative	$11,716	$20,928	$9,212	78.6%
Percentage of total revenues	22.7%	25.0%		

General and administrative increased primarily due to a $4.0 million increase in salaries, benefits and stock-based compensation due to an increase in headcount of 72% between December 31, 2014 and 2015 and stock option grants to new executive officers and other employees, a $2.8 million increase in professional services costs due to legal, accounting and auditing fees as we prepare for our initial public offering, additional recruitment costs and a $0.5 million increase in facility related expenses related to the expansion of our global headquarters. In addition, our general and administrative costs in 2014 were reduced by $0.8 million relating to the change in fair value of contingent consideration. There was no significant change in contingent consideration during 2015.

Interest expense, net

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Interest expense, net	$(3,047)	$(3,215)	$(168)	5.5%

Interest expense, net increased due to an increase in interest expense on a larger long-term debt principal balance. During 2014 and 2015, we paid between 20% and 30% of our interest costs in cash and the remainder increased the principal balance.

Change in fair value of common stock warrant liability

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Change in fair value of common stock warrant liability	$(3,700)	$ (420)	$3,280	(88.6%)

We value our common stock warrants using a binomial lattice model. The primary input in the binomial lattice model driving the change in the fair value our common stock warrants is the value of our common stock. The increase in the liabilities associated with our common stock warrants in both years was driven by the increase in the value of our common stock. Refer to "*—Critical Accounting Policies and Estimates—Significant Factors, Assumptions, and Methodologies Used in Determining Fair Value of Common Stock".*

Income tax benefit

	Year Ended December 31,		Change	
	2014	2015	Amount	%
	(in thousands, except percentages)			
Benefit from income taxes	$(8,174)	$(13,713)	$(5,539)	67.8%

Our effective tax rate was 32.8% in 2014 and 35.7% in 2015. The effective tax rate differs from the U.S. federal statutory rate of 34% primarily because of state taxes, net of federal benefit, the change in the value of our common stock warrants and contingent consideration, which are not deductible for income tax purposes, and valuation allowance for State of California deferred income tax assets. We record a valuation allowance against our deferred tax assets to the extent that realization of the deferred tax assets, including consideration of our deferred tax liabilities, is not more likely than not. For 2015, for the State of California, our deferred assets exceed our deferred tax liabilities and given our cumulative losses, we believe that it is not more likely than not that these deferred tax assets will be realized. Accordingly, we recorded a valuation allowance on our net State of California deferred tax assets. Taxes for our international operations were not material in 2014 and 2015.

Quarterly Results of Operations

The following tables set forth selected key metrics and unaudited quarterly consolidated statements of operations for 2015 and the first half of 2016. The consolidated financial statements for each of these quarterly periods have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all normal recurring adjustments necessary for the fair statement of the financial information contained in these statements. The historical financial results are not necessarily indicative of future results and should be read in conjunction with our annual financial statements and the related notes included elsewhere in this prospectus.

The following table sets forth selected metrics data for each of the periods indicated:

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
Dollar-based net revenue retention rate	120%	120%	120%	120%	120%	119%
Number of customers (as of end of period)	1,067	1,145	1,219	1,338	1,411	1,523
Number of users (as of end of period)	102,903	111,383	119,912	128,726	137,341	147,466

The following table sets forth selected consolidated statements of operations data for each of the periods indicated:

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
	(in thousands)					
Revenues						
Subscription and support	$ 17,282	$ 18,598	$ 20,786	$ 23,414	$ 25,328	$ 27,649
Professional services	765	827	875	1,060	1,233	1,377
Total revenues(1)(2)	18,047	19,425	21,661	24,474	26,561	29,026
Cost of revenues						
Subscription and support	4,287	4,814	5,119	5,553	5,961	6,114
Professional services	666	672	824	794	979	949
Total cost of revenues(1)(2)	4,953	5,486	5,943	6,347	6,940	7,063
Gross profit	13,094	13,939	15,718	18,127	19,621	21,963
Operating expenses						
Sales and marketing(1)(2)	11,657	13,297	14,740	16,852	18,169	19,073
Research and development(1)	3,569	4,465	4,904	5,278	5,272	5,193
General and administrative(1)(2)(3)	3,805	5,247	5,916	5,960	5,979	5,956
Total operating expenses	19,031	23,009	25,560	28,090	29,420	30,222
Loss from operations	(5,937)	(9,070)	(9,842)	(9,963)	(9,799)	(8,259)
Other income (expense)						
Interest expense, net	(782)	(862)	(822)	(749)	(861)	(979)
Change in fair value of the common stock warrant liability	30	(280)	80	(250)	—	300
Other expense, net	(752)	(1,142)	(742)	(999)	(861)	(679)
Loss before income taxes	(6,689)	(10,212)	(10,584)	(10,962)	(10,660)	(8,938)
Benefit from income taxes	(2,435)	(3,674)	(3,849)	(3,755)	(1,325)	(1,397)
Net loss	$ (4,254)	$ (6,538)	$ (6,735)	$ (7,207)	$ (9,335)	$ (7,541)

(1) The following table presents the stock-based compensation expense included in each respective expense category:

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
Cost of revenues	$ 87	$ 138	$ 126	$ 115	$ 141	$ 134
Sales and marketing	463	682	602	671	672	661
Research and development	89	171	160	168	161	173
General and administrative	149	531	672	673	651	581
	788	1,522	1,560	1,627	1,625	1,549

(2) The following table presents the amortization of intangible assets included in each respective expense category:

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
Cost of revenues	$ 1,534	$ 1,535	$ 1,535	$ 1,535	$ 1,534	$ 1,535
Sales and marketing	872	872	872	871	872	872
General and administrative	617	616	616	617	617	616
	3,023	3,023	3,023	3,023	3,023	3,023

(3) General and administrative includes increases in fair value of contingent consideration of $13,000 in each of the first three quarters of 2015, $2,000 during the three months ended December 31, 2015, $62,000 during the three months ended March 31, 2016, and $81,000 during the three months ended June 30, 2016.

The increase in total revenues in each of the periods presented was primarily due to an increase in the number of customers, an increase in the number of users added by existing customers and an increase in the number of products purchased by existing customers. From December 31, 2014 to June 30, 2016, our customer count increased from 987 to 1,523. In addition, the number of BlackLine users increased from 93,665 to 147,466 at the corresponding dates.

Cost of revenues in each of the periods presented increased on an incremental basis to support the demand for our platform. The improvement in gross margin was primarily the result of the amortization of developed technology included in our cost of revenues, which is a fixed cost each period. Accordingly, increased revenues resulted in an improvement in our gross margin.

Sales and marketing expenses have consistently increased for each of the periods presented due to the expansion in headcount of our mid-market and enterprise direct sales teams.

Research and development expenses increased steadily during 2015 due to growth in headcount and use of third-party contractors to support our development efforts. In 2016, research and development expenses have remained consistent.

General and administrative expenses have increased during the quarterly periods primarily due to increases in our headcount and, during the last four quarters, also due to increased legal, accounting and other costs incurred to support our expanding operations and in preparation for our initial public offering.

More generally, our quarterly operating results have fluctuated in the past and may continue to fluctuate in the future based on a number of factors, many of which are beyond our control. Such factors include, in addition to those described in the “Risk Factors” section of this prospectus:

- our ability to attract new customers;
- the timing and rate at which we enter into agreements for our solutions with new customers;
- the extent to which our existing customers renew their subscriptions for our solutions and the timing of those renewals;
- the extent to which our existing customers purchase additional products or add incremental users;
- changes in the mix of our sales to new and existing customers;
- changes to the proportion of our client base that is comprised of enterprise or mid-market customers;
- seasonal factors affecting the demand for our solutions;
- our ability to manage growth, including in terms of new customers, additional users and new geographies;
- the timing and success of competitive solutions offered by our competitors;
- changes in our pricing policies and those of our competitors; and
- general economic and market conditions.

One or more of these factors may cause our quarterly operating results to vary widely. As such, we believe that our quarterly results of operations may vary significantly in the future and that our historical operating results are not indicative of future performance.

The following table sets forth selected non-GAAP information for each of the periods selected:

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
	(in thousands, except percentages)					
Non-GAAP Revenues	$ 18,047	$ 19,425	$ 21,661	$ 24,474	$ 26,561	$ 29,026
Non-GAAP Gross Profit	$ 14,715	$ 15,612	$ 17,379	$ 19,777	$ 21,296	$ 23,632
Non-GAAP Gross Margin	81.5%	80.4%	80.2%	80.8%	80.2%	81.4%
Non-GAAP Net Loss	$ (2,781)	$ (5,278)	$ (5,917)	$ (6,138)	$ (5,893)	$ (4,531)

The following table presents a reconciliation of revenues, gross profit, gross margin and net loss, the most comparable GAAP measures, to non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss.

	Three Months Ended					
	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016
	(in thousands, except percentages)					
Non-GAAP Revenues:						
Revenues	$ 18,047	$ 19,425	$ 21,661	$ 24,474	$ 26,561	$ 29,026
Non-GAAP Revenues(1)	$ 18,047	$ 19,425	$ 21,661	$ 24,474	$ 26,561	$ 29,026
Non-GAAP Gross Profit:						
Gross profit	$ 13,094	$ 13,939	$ 15,718	$ 18,127	$ 19,621	$ 21,963
Amortization of developed technology	1,534	1,535	1,535	1,535	1,534	1,535
Stock-based compensation expense	87	138	126	115	141	134
Non-GAAP Gross Profit(1)	$ 14,715	$ 15,612	$ 17,379	$ 19,777	$ 21,296	$ 23,632
Gross Margin	72.6%	71.8%	72.6%	74.1%	73.9%	75.7%
Non-GAAP Gross Margin(1)	81.5%	80.4%	80.2%	80.8%	80.2%	81.4%
Non-GAAP Net Loss:						
Net Loss	$ (4,254)	$ (6,538)	$ (6,735)	$ (7,207)	$ (9,335)	$ (7,541)
Benefit from income taxes	(2,447)	(3,704)	(3,824)	(3,959)	(1,402)	(1,493)
Stock-based compensation expense	788	1,522	1,560	1,627	1,625	1,549
Amortization of acquired intangible assets	3,023	3,023	3,023	3,023	3,023	3,023
Accretion of debt discount	57	57	57	57	65	81
Accretion of warrant discount	69	69	69	69	69	69
Change in fair value of contingent consideration	13	13	13	2	62	81
Change in fair value of common stock warrant liability	(30)	280	(80)	250	—	(300)
Non-GAAP Net Loss(1)	$ (2,781)	$ (5,278)	$ (5,917)	$ (6,138)	$ (5,893)	$ (4,531)

(1) Non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss are not a measure of our financial performance under GAAP and should not be considered as an alternative to revenues, gross profit, gross margin and net loss, respectively, in accordance with GAAP. For a definition of non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss, see “Selected Consolidated Financial Data – Non-GAAP Financial Measures.”

Liquidity and Capital Resources

To date, our operations and growth have been financed primarily through cash generated from investments from our founder, our operations, proceeds from the issuance of debt and the sale of common stock. In September 2013, we raised gross proceeds of $168.5 million from the sale of common stock and issuance of debt, which were primarily used to finance the Acquisition.

At June 30, 2016, our principal sources of liquidity were $13.6 million of cash and cash equivalents, which primarily consist of cash deposits and investments in money market funds. We believe our existing cash and cash equivalents and proceeds from our 2016 Incremental Term Loan

and available borrowings under the $5.0 million revolving line of credit entered into in March 2016 will be sufficient to meet our working capital needs, capital expenditures and financing obligations for at least the next 12 months.

We entered into a term loan under our credit facility in September 2013, which we refer to as the 2013 Term Loan. In March 2016, we amended our credit facility to add the $5.0 million 2016 Incremental Term Loan and provide for a $5.0 million revolving line of credit. As of June 30, 2016, we had $35.7 million of principal outstanding debt under our credit facility. No borrowings have been made under the revolving line of credit. In August 2016, we amended our credit facility again to add an additional $30 million term loan, or the 2016 Acquisition Term Loan and used the proceeds and cash on hand to acquire Runbook. We expect to repay the outstanding amount under the 2013 Term Loan, the 2016 Incremental Term Loan and the 2016 Acquisition Term Loan with a portion of the proceeds from this offering. Our credit facility requires us to pay a prepayment premium of 1% of the amount prepaid under the 2013 Term Loan in the event of early prepayment prior to September 2016, up to 3% of the 2016 Incremental Term Loan for any prepayment prior to maturity and up to 2% of the 2016 Acquisition Term Loan for any prepayment prior to maturity. The 2013 Term Loan, 2016 Incremental Term Loan and 2016 Acquisition Term Loan each mature and are repayable on September 25, 2018. There are no minimum principal payments due under the 2013 Term Loan, 2016 Incremental Term Loan, 2016 Acquisition Term Loan or the revolving credit facility. The 2013 Term Loan, the 2016 Incremental Term Loan and the 2016 Acquisition Term Loan each bear interest at (i) the greater of LIBOR or 1.5% plus (ii) 8% and can be paid in varying amounts in cash or in kind. At June 30, 2016, the interest rate on the 2013 Term Loan was 9.5%. The revolving line of credit bears interest at (i) the greater of LIBOR or 0.5% plus (ii) 6%. We are also required to pay a commitment fee equal to 0.5% per annum of the unused portion of the revolving line of credit.

Borrowings under our credit facility are collateralized against all of our assets, including our intellectual property. In connection with certain events, including a change in control, or if we elect an early prepayment as described above, we are required to pay a prepayment penalty. The credit facility requires us to comply on a quarterly basis with a maximum consolidated leverage ratio financial covenant. The consolidated leverage ratio is the ratio of the principal amount of outstanding borrowings to revenues for the most recent four consecutive quarters. The required ratio decreases over time, and for the quarter ended June 30, 2016, was 0.97 to 1.0. We were in compliance with this financial covenant at June 30, 2016. The credit facility also places restrictions on dividend payments, certain investments and acquisitions, and other customary restrictions. The credit facility, which was entered into by our subsidiary, BlackLine Systems, Inc. and guaranteed by our intermediary holding company, BlackLine Intermediate, Inc., also places restrictions on BlackLine Systems, Inc.'s ability to make dividend payments, loans or advances to us and our subsidiaries. All of BlackLine Systems, Inc.'s net assets are restricted from making payments, loans or advances to us and our subsidiaries. Restricted net assets as of December 31, 2015 amounted to $166.2 million.

In conjunction with the entry into the 2013 Term Loan, we issued warrants to purchase 2,500,000 shares of common stock at an exercise price per share of $1.00. The warrants are exercisable at any time by the holder and expire upon the earlier of ten years from the issuance date or the sale of the company. At June 30, 2016, all such warrants remain outstanding. No additional warrants were issued in connection with the 2016 Incremental Term Loan or 2016 Acquisition Term Loan.

Our future capital requirements will depend on many factors, including our growth rate, the expansion of our direct sales force, strategic relationships and international operations, the timing and extent of spending to support research and development efforts and the continuing market acceptance of our solutions. We may require additional equity or debt financing. Sales of additional equity could result in dilution to our stockholders. If we raise funds by borrowing from third parties, the terms of those financing arrangements would require us to incur additional interest expense and may include

negative covenants or other restrictions on our business that could impair our operating flexibility. We can provide no assurance that additional financing will be available at all or, if available, that we could be able to obtain financing on terms favorable to us. If we are unable to raise additional capital when needed, we would be required to curtail our operating activities and capital expenditures, and our business operating results and financial condition would be adversely affected.

Historical Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2014	2015	2015	2016
	(in thousands)			
Net cash provided by (used in) operating activities	$ 8,943	$ 1,006	$ (1,382)	$ (3,090)
Net cash used in investing activities	$ (2,866)	$ (12,367)	$ (6,063)	$ (2,374)
Net cash provided by financing activities	$ 4,775	$ 859	$ 1,243	$ 3,906

Net Cash Provided by Operating Activities

Our net loss and cash flows from operating activities are significantly influenced by our investments in headcount and infrastructure to support anticipated growth. In addition, our net loss in recent periods has generally been significantly greater than our use of cash for operating activities due to our subscription based revenue model in which billings occur in advance of revenue recognition and a substantial amount of non-cash charges incurred by us, primarily related to the Acquisition.

For the six months ended June 30, 2016, cash used in operations was $3.1 million resulting from our net loss of $16.9 million, partially offset by net non-cash expenses of $9.7 million and net cash flow provided through changes in operating assets and liabilities of $4.1 million. The $4.1 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected a $7.8 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition. This change in our operating assets and liabilities was partially offset by a $2.8 million decrease in accrued expenses primarily associated with payments of 2015 employee bonuses during the quarter and a $1.4 million increase in accounts receivable due to the growth of our customer and user base.

For the six months ended June 30, 2015, cash used in operations was $1.4 million resulting from our net loss of $10.8 million, partially offset by net non-cash expenses of $4.7 million and net cash flows provided through changes in our operating assets and liabilities of $4.7 million. The $4.7 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected a $6.2 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition, a $2.6 million increase in accrued expenses primarily associated with increases in employee related accruals as a result of increases in headcount and increases in professional services costs, and a $2.1 million increase in other long-term liabilities primarily related to deferred rent due to the leasehold improvement allowances and free rent periods associated with the expansion of our corporate headquarters. This change in our operating assets and liabilities was partially offset by a $3.8 million increase in accounts receivable due to the growth of our customer and user base.

For the year ended December 31, 2015, cash provided by operations was $1.0 million resulting from our net loss of $24.7 million, largely offset by net cash flows provided through changes in our operating assets and liabilities of $16.4 million and net non-cash expenses of $9.4 million. The $16.4 million of net cash flows provided as a result of changes in our operating assets and liabilities

reflected a $18.2 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition, a $6.8 million increase in accrued expenses primarily associated with increases in employee related accruals as a result of increases in headcount and bonuses, and professional services costs, a $2.0 million increase in other long-term liabilities primarily related to deferred rent due to the leasehold improvement allowances and free rent periods associated with the expansion of our corporate headquarters, and a $1.1 million increase in accounts payable associated with the growth of our business. The changes in our operating assets and liabilities were partially offset by a $6.2 million increase in accounts receivable due to the growth of our customer and user base, and a $4.3 million increase in deferred sales commissions due to an increase in revenues.

During the year ended December 31, 2014, cash provided by operations was $8.9 million resulting from our net loss of $16.8 million, largely offset by net cash flows provided through changes in our operating assets and liabilities of $13.0 million and non-cash expenses of $12.6 million. The $13.0 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected a $17.2 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition, a $3.2 million increase in accrued expenses primarily associated with increases in employee related accruals as a result of increases in headcount, and a $1.0 million increase in deferred rent due to the leasehold improvement allowances and free rent periods associated with the expansion of our corporate headquarters. The changes in our operating assets and liabilities were partially offset by a $6.8 million increase in accounts receivable due to the growth of our customer and user base, a $1.3 million increase in deferred sales commissions due to an increase in commissionable revenues, and a $1.1 million increase in prepaid expenses and other current assets associated with the growth of our business.

Net Cash Used in Investing Activities

Our investing activities consist primarily of capital expenditures for property and equipment and capitalized software development costs.

For the six months ended June 30, 2016, we used $2.4 million in cash primarily as a result of $1.5 million in payments of costs related to capitalized software development activities. During the six months ended June 30, 2016, we also purchased $0.9 million of property and equipment.

For the six months ended June 30, 2015, we used $6.1 million in cash primarily as a result of $5.2 million in purchases of property and equipment related to the expansion of our global headquarters. During the six months ended June 30, 2015, we also paid $0.9 million of costs related to capitalized software development activities.

For the year ended December 31, 2015, we used $12.4 million in cash primarily as a result of $10.1 million in purchases of property and equipment of which $7.1 million related to the expansion of our global headquarters. During 2015, we also paid $2.3 million of costs related to capitalized software development activities.

For the year ended December 31, 2014, we used $2.9 million in cash as a result of $1.4 million in capitalized software development costs and $1.4 million of purchases of property and equipment. Of the $1.4 million of purchases of property and equipment, $0.8 million related to the expansion of our global headquarters.

Net Cash Provided By Financing Activities

For the six months ended June 30, 2016, financing activities provided $3.9 million in cash primarily as a result of proceeds from our 2016 Incremental Term Loan, net of issuance costs, of $4.8

million issued in March 2016. These proceeds were partially offset by payments of $1.1 million for initial public offering costs.

For the six months ended June 30, 2015, financing activities provided $1.2 million from proceeds from exercise of stock options.

For the year ended December 31, 2015, financing activities provided $0.9 million in cash primarily as a result of $1.4 million in proceeds from exercise of stock options. These proceeds were partially offset by $0.5 million in principal payments on capital lease obligations.

For the year ended December 31, 2014, financing activities provided $4.8 million in cash primarily as a result of our issuance of common stock.

Backlog

We enter into both single and multi-year subscription contracts for our solutions. The timing of our invoices to the customer is a negotiated term and thus varies among our subscription contracts. For multi-year agreements, it is common to invoice an initial amount at contract signing followed by subsequent annual invoices. At any point in the contract term, there can be amounts that we have not yet been contractually able to invoice. Until such time as these amounts are invoiced, they are not recorded in revenues, deferred revenue or elsewhere in our consolidated financial statements, and are considered by us to be backlog. As of December 31, 2015 and June 30, 2016, we had backlog of approximately $49.0 million and $52.8 million, respectively. We expect backlog will change from period to period for several reasons, including the timing and duration of customer agreements, varying billing cycles of subscription agreements, and the timing and duration of customer renewals. Because revenue for any period is a function of revenue recognized from deferred revenue under contracts in existence at the beginning of the period, as well as contract renewals and new customer contracts during the period, backlog at the beginning of any period is not necessarily indicative of future revenue performance. We do not utilize backlog as a key management metric internally.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at June 30, 2016:

		Less Than			More Than
	Total	1 Year	1 – 3 Years	3 – 5 Years	5 Years
			(in thousands)		
Long-term debt obligations(1)	$43,910	$1,315	$ 42,595	$ —	$ —
Operating lease obligations(2)	15,303	3,494	5,048	3,686	3,075
Capital lease obligations	992	558	434	—	—
	$60,205	$5,367	$ 48,077	$ 3,686	$ 3,075

(1) Long-term debt obligations includes principal and expected interest at 9.5% per annum due under the Term Loan and assumes a portion of interest due increases the principal and is due at maturity as described in Note 6 of our audited consolidated financial statements appearing elsewhere in this prospectus. In March 2016, we amended the credit facility to add the $5.0 million 2016 Incremental Term Loan and provide for a $5.0 million revolving line of credit. In August 2016, we amended our credit facility again to add the 2016 Acquisition Term Loan. The amounts in the table above include the borrowings under the 2016 Incremental Term Loan as described in Note 8 of our condensed consolidated interim financial statements appearing elsewhere in this prospectus. The amounts in the table above exclude the borrowings under the 2016 Acquisition Term Loan as described in Note 4 of our condensed consolidated interim

financial statements appearing elsewhere in this prospectus. No borrowings have been made under the revolving line of credit. As described in "Use of Proceeds," we plan to repay borrowings under the credit facility with proceeds from this offering.

(2) Operating leases include total future minimum rent payments under non-cancelable operating lease agreements.

At December 31, 2015, liabilities for unrecognized tax benefits of $278,000 are not included in the table above because, due to their nature, there is a high degree of uncertainty regarding the timing of future cash outflows and other events that extinguish these liabilities.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are therefore not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships.

In the ordinary course of business, we may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments we could be required to make under these indemnification provisions is indeterminable. We have never paid a material claim, nor have we been sued in connection with these indemnification arrangements. As of December 31, 2015, we have not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

Critical Accounting Policies and Estimates

Our financial statements and the related notes included elsewhere in this prospectus are prepared in accordance with generally accepted accounting principles, or GAAP, in the United States. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the following critical accounting policies involve a greater degree of judgment or complexity than our other accounting policies. Accordingly, these are the policies we believe are the most critical to a full understanding and evaluation of our consolidated financial condition and results of operations. See Note 2 of the notes to our consolidated financial statements for additional information.

Revenue Recognition and Deferred Revenue

Subscription and support revenue—Customers pay subscription fees for access to our SaaS platform generally for a one year period. In more limited cases customers may subscribe for up to three

years. Fees are based on a number of factors, including the solutions subscribed for by the customer and the number of users having access to the solutions. The first year subscription fees are typically payable within 30 days after the execution of the arrangement, and thereafter upon renewal. We initially record the subscription fees as deferred revenue and recognize revenues on a straight-line basis over the term of the agreement. At any time during the subscription period, customers may increase the number of their users or subscribe for additional products. Additional user fees and additional subscriptions are payable for the remainder of the initial or extended contract term. Subscription and support revenue also includes software license revenue related to maintenance and support fees on a limited number of customers who still utilize on-premise software.

Professional services—We offer customers assistance in implementing our solutions and optimizing their use. Professional services include training and consulting. These services are billed on either a fixed fee or time and material basis. Revenues from time and material arrangements are recognized as services are performed and revenues from fixed fee arrangements are initially recorded as deferred revenue and recognized on a proportional performance basis as the services are performed.

We recognize revenues when: (i) persuasive evidence of an arrangement for the sale of our solutions or implementation and consulting services exists, (ii) the solutions have been made available or delivered, or services have been performed, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. The timing and amount we recognize as revenue is determined based on the facts and circumstances of each customer's arrangement. Evidence of an arrangement consists of a signed customer agreement. We consider that delivery of a solution has commenced once we provide the customer with log-in information to access and use the solution. Fees are fixed based on stated rates specified in the customer agreement. We assess collectability based on a number of factors, including the creditworthiness of the customer, review of their financial information or transaction history. If collectability is not considered reasonably assured, revenue is deferred until the fees are collected.

The majority of customer arrangements include multiple deliverables such as subscriptions to our SaaS solutions and professional services. We recognize revenue in accordance with the guidance for arrangements with multiple deliverables under Accounting Standards Update ("ASU") 2009-13 *Revenue Recognition (Topic 605) – Multiple-Deliverable Revenue Arrangements – a Consensus of the Emerging Issues Task Force* or ASU 2009-13. For subscription agreements, as customers do not have the right to the software code underlying our solutions, subscription revenue arrangements are outside the scope of software revenue recognition guidance as defined by ASC Topic 985-605, *Software.* Our agreements do not contain any refund provisions other than in the event of our non-performance or breach.

For multiple-deliverable revenue arrangements, we first assess whether each deliverable has value to the customer on a standalone basis. We have determined that the SaaS solutions have standalone value, because, once access is given to the customer, the solutions are fully functional and do not require any additional development, modification, or customization. Professional services have standalone value, because third-party partners and customers themselves can perform these services without our involvement. The performance of these professional services generally does not require highly specialized or technologically skilled individuals and the professional services are not essential to the functionality of the solutions.

We allocate revenue among the separate non-contingent deliverables in an arrangement under the relative selling price method using the selling price hierarchy established in ASU 2009-13. This hierarchy requires the selling price of each deliverable in a multiple deliverable arrangement to be based on, in descending order: (i) vendor-specific objective evidence of fair value, or VSOE, (ii) third-party evidence of fair value, or TPE, or (iii) management's best estimate of the selling price, or BESP.

We are not able to determine VSOE or TPE for our deliverables, because the deliverables are typically bundled and infrequently sold separately within a consistent price range. Additionally, management has determined that there are no third-party offerings reasonably comparable to our solutions. Therefore, the selling prices of subscriptions to the SaaS solutions and professional services are based on BESP. The determination of BESP requires us to make significant estimates and judgments. We consider numerous factors, including the nature of the deliverables themselves, geography, customer size and number of users, and discounting practices. The determination of BESP is made through consultation with senior management. We update our estimates of BESP on an ongoing basis as events and as circumstances may require. As our marketing strategies evolve, we may modify its pricing practices in the future, which could result in changes in relative selling prices and BESP.

In addition to our direct sales and marketing efforts, we have strategic relationships with business process outsourcers, or BPOs, and resellers. The BPOs and resellers place orders with us after receiving an order from an end customer. The BPOs and resellers receive business terms of sale similar to those received by our direct customers, and payment to us is not contingent on the receipt of payment from the end customer. The BPOs and resellers negotiate pricing with the end customer and are responsible for implementation services, if any, and for certain support levels directly with the end customer. We recognize revenue over the term of the arrangement for the contractual amount charged to the BPO or reseller, once access to our solution has been provided to the end customer provided that the other revenue recognition criteria noted above have been met.

Deferred Sales Commissions

Deferred sales commissions are the incremental costs that are directly associated with non-cancelable subscription contracts with customers and consist of sales commissions paid to our direct sales force and third-party partners. The commissions are deferred and amortized over the non-cancelable terms of the related customer contracts, which are typically one year in duration. The commission payments are paid in full the month after the customer's service commences. The deferred commission amounts are recoverable through the future revenue streams under the non-cancelable customer contracts. We believe this is the preferable method of accounting as the sales commission charges are so closely related to the revenue from the non-cancelable customer contracts that they should be recorded as an asset and charged to expense over the same period that the subscription revenue is recognized. Amortization of deferred sales commissions is included in sales and marketing in our consolidated statements of operations.

Stock-based Compensation

We account for stock-based compensation awards granted to employees and directors based on the awards' estimated grant date fair value. We estimate the fair value of our stock options using the Black-Scholes option-pricing model. The resulting fair value, net of estimated forfeitures, is recognized on a straight-line basis over the period during which an employee is required to provide service in exchange for the award, usually the vesting period, which is generally four years. We recognize the fair value of stock options which contain performance conditions based upon the probability of the performance conditions being met, net of estimated forfeitures, using the graded vesting method. Estimated forfeitures are based upon our historical experience and we revise our estimates, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

Determining the grant date fair value of options using the Black-Scholes option pricing model requires management to make assumptions and judgments. These estimates involve inherent uncertainties and if different assumptions had been used, stock-based compensation expense could have been materially different from the amounts recorded.

The assumptions and estimates are as follows:

- ***Value per share of our common stock***. Because there is no public market for our common stock, we, with the assistance of a third-party valuation specialist, determined the common stock fair value at the time of the grant of stock options by considering a number of objective and subjective factors, discussed further below. The fair value of our common stock will be determined by the Company's board of directors until such time as our common stock commences trading on an established stock exchange or national market system.
- ***Expected volatility***. We determine the expected volatility based on historical average volatilities of similar publicly traded companies corresponding to the expected term of the awards.
- ***Expected term***. We determine the expected term of awards which contain only service conditions using the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award. For awards granted which contain performance conditions, we estimate the expected term based on estimates of post-vesting employment termination behavior taking into account the life of the award.
- ***Risk-free interest rate***. The risk-free interest rate is based on the United States Treasury yield curve in effect during the period the options were granted corresponding to the expected term of the awards.
- ***Estimated dividend yield***. The estimated dividend yield is zero, as we do not currently intend to declare dividends in the foreseeable future.

Information related to our stock-based compensation activity is as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2014	2015	2015	2016
Stock options granted	22,070,000	11,259,384	8,512,884	1,181,750
Weighted average exercise price	$ 1.07	$ 2.86	$ 2.83	$ 3.00
Weighted average Black-Scholes model assumptions:				
Estimated fair value of common stock	$ 1.07	$ 2.86	$ 2.83	$ 2.83
Estimated volatility	54.0%	49.6%	49.4%	47.9%
Estimated dividend yield	—	—	—	—
Expected term (years)	6.2	6.3	6.3	6.3
Risk-free rate	1.9%	1.7%	1.8%	1.6%

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value of Common Stock

The fair value of the common stock underlying our stock options was historically determined by our board of directors with input from management based upon information available at the time of grant. Given the absence of a public trading market for our common stock and in accordance with the American Institute of Certified Public Accountants Accounting & Valuation Guide, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, our board of directors has exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock at each grant date. These factors included the following:

- the results of contemporaneous valuations performed by unrelated third-party specialists;
- our operating and financial performance;

- current business conditions and projections;
- our history and stage of development;
- hiring of key personnel and the experience of our management;
- significant new client sales by us and by our competitors and our competitive position in general;
- sales of our common stock to third-party investors;
- the likelihood of achieving different liquidity events, such as an initial public offering or a merger or acquisition given prevailing market conditions;
- the market performance of comparable publicly traded companies;
- indications from recent transactions involving comparable acquisition targets; and
- U.S. and global capital market conditions.

The per share estimated fair value of our common stock in the table below represents the determination by our board of directors of the fair value of our common stock as of the date of grant, taking into consideration the various objective and subjective factors described above, including the valuations of our common stock. There is inherent uncertainty in these estimates and, if we had made different assumptions than those described below, the fair value of the underlying common stock and amount of our stock-based compensation expense, net loss, and net loss per share amounts would have differed.

Grant Date	Number of Shares	Exercise Price at Grant Date	Estimated per Share Fair Value of Common Stock at Grant Date
January 15, 2015	310,000	$ 2.80	$ 2.80
March 30, 2015	5,183,884	$ 2.80	$ 2.80
April 6, 2015	50,000	$ 2.80	$ 2.80
May 20, 2015	1,969,000	$ 2.90	$ 2.90
May 30, 2015	1,000,000	$ 2.90	$ 2.90
August 31, 2015	1,971,000	$ 2.90	$ 2.90
November 10, 2015	775,500	$ 3.00	$ 3.00
March 9, 2016	857,500	$ 3.00	$ 2.80
May 18, 2016	324,250	$ 3.00	$ 2.90
September 2, 2016	480,250	$ 3.20	$ 3.20

The aggregate intrinsic value of vested and unvested stock options as of June 30, 2016 was $ million, of which $ million related to vested options and $ million related to unvested options, based on a price of $ per share, which is the midpoint of the estimated offering price range on the cover page of this prospectus.

In valuing our common stock, the fair value of our business, or enterprise value, was determined using various valuation methods, including combinations of methods and scenarios, as deemed appropriate under the circumstances applicable at each valuation date.

Using the market approach, enterprise value is estimated considering an analysis of both guideline public companies, or GPC, and guideline transactions, or GT.

- The GPC analysis estimates value based on a comparison our company to comparable public companies in a similar line of business. We selected software public companies, which we refer

to as the Benchmarked Companies, based on their similarity of their businesses in offering SaaS services, stage of development, size, and profitability. We also considered companies which our underwriters had compared to us. While the Benchmarked Companies were generally larger than us in terms of total revenue, assets and market capitalization, several of the companies, like us, are in the investment and growth stage and have experienced operating losses while they have been growing their businesses. Also, several of the comparable companies completed initial public offerings in recent years. The selection of Benchmarked Companies has changed over time based on whether we believe the selected companies remain comparable to us. For valuations received subsequent to June 30, 2014, the Benchmarked Companies have remained consistent. Based on these considerations, we believe that the companies selected are a representative group for the GPC analysis.

- From the Benchmarked Companies, representative market values were calculated which were applied to our company's financial results to estimate enterprise value. Given our significant focus on investing in and growing our business, we primarily utilized revenue multiples (both trailing 12-month revenue and forecast future 12-month revenue) when performing our valuation assessment under the GPC analysis.
- The GT analysis is based upon the premise that indications of value can be estimated utilizing valuation multiples implied by acquisitions involving target companies in a similar line of business. This approach involved the identification of relevant transactions, calculation of valuation multiples, and the selection and application of appropriate multiples to the financial metrics of our company. Similar to the GPC analysis, we focused on the use of revenue multiples.

The market-based approach considerations also incorporated indications from recent sales of our company's stock. Considerations included the size of the common stock sale, relationship of the parties involved in the transaction, timing, and financial condition of our company at the time of sale. In late 2014, we sold common stock for $2.80 per share.

The income approach estimates the fair value of the enterprise based on the present value of future estimated net cash flows and the residual value of the enterprise beyond the forecast period. The future net cash flows and residual value are discounted to their present values to reflect the risks inherent in achieving these estimated net cash flows. The discount rate was based on market-derived weighted average cost of capital calculations.

For valuations of our common stock related to options granted prior to April 30, 2015, fair values were generally estimated using the income and market-based approaches – with our enterprise value adjusted to reflect our capital structure as well as lack of marketability for the common stock.

For valuations of our common stock related to options granted after April 2015 we used the probability-weighted expected return method, or PWERM. We commenced using the PWERM given greater visibility into the potential exit scenarios, including an initial public offering. Under the PWERM, value is based on an analysis of future values for the enterprise assuming various possible liquidity scenarios, including an initial public offering, merger or sale, or staying private. Future values were discounted to the present, and a discount for lack of marketability was applied. We based the anticipated timing of such potential liquidity events primarily on our then-current plans and associated risks, as estimated by our board of directors and management.

During 2015, the value of our common stock increased primarily due to continued progress towards a proposed initial public offering reflecting the growth in our revenues and a reduction in the discount for lack of marketability. The value of our common stock decreased in early 2016 and then subsequently increased primarily reflecting changes in revenue multiples of our Benchmarked Companies.

Capitalized Software Costs

We account for the costs of computer software obtained or developed for internal use in accordance with ASC 350*, Intangibles—Goodwill and Other* ("ASC 350"). We capitalize certain costs in the development of our SaaS subscription solutions when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include personnel and related expenses for employees and costs of third-party contractors who are directly associated with and who devote time to internal-use software projects and, when material, interest costs incurred during the development. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to our SaaS software solutions are also capitalized. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years.

Business Combinations

The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

We perform valuations of assets acquired and liabilities assumed and allocate the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires our management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates and selection of comparable companies. We engage the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination.

The fair value of the deferred revenue at the date of acquisition is determined based on the estimated direct and incremental costs to fulfill the legal performance obligations associated with the deferred revenue, plus a reasonable profit margin. To the extent that the fair value of deferred revenue at the acquisition date is less than it's then carrying value, the revenue in periods subsequent to the acquisition date is reduced until such time that the underlying revenue is recognized.

Contingent consideration payable in cash arising from business combinations is recorded as a liability and measured at fair value each period. Changes in fair value are recorded in general and administrative expenses in the consolidated statements of operations. Determining the fair value of the contingent consideration each period requires our management to make assumptions and judgments. These estimates involve inherent uncertainties and if different assumptions had been used, the fair value of contingent consideration could have been materially different from the amounts recorded. We determine the fair value of contingent consideration by discounting estimated future taxable income. The significant inputs used in the fair value measurement of contingent consideration are the timing and amount of taxable income in any given period and determining an appropriate discount rate which considers the risk associated with the forecasted taxable income. Significant changes in the estimated future taxable income and the periods in which they are generated would significantly impact the fair value of the contingent consideration liability.

Income Taxes

We use the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities, using tax rates expected to be in effect during the years in which the bases differences are expected to reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

We have assessed our income tax positions and recorded tax benefits for all years subject to examination, based upon our evaluation of the facts, circumstances and information available at each period-end. For those tax positions where we have determined there is a greater than 50% likelihood that a tax benefit will be sustained, we have recorded the largest amount of tax benefit that may potentially be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where we have determined there is a less than 50% likelihood that a tax benefit will be sustained, no tax benefit has been recognized in our financial statements.

Fair Value of Common Stock Warrants

In September 2013, in connection with the Term Loan, we issued warrants to purchase 2,500,000 shares of common stock at an exercise price per share of $1.00. The warrants are exercisable at any time by the holder and expire upon the earlier of ten years from the issuance date or the sale of our company.

These warrants are classified as a liability and are measured at fair value each period with changes in fair value recorded in our consolidated statement of operations. The warrants will continue to be measured at fair value each period until the earlier of exercise or termination.

Determining the fair value of the common stock warrants each period requires our management to make assumptions and judgments. These estimates involve inherent uncertainties and if different assumptions had been used, fair value of the common stock warrants could have been materially different from the amounts recorded. The fair value is determined using a binomial lattice valuation model. The significant inputs used in the fair value measurement of the common stock warrants are the estimated fair value of our common stock and to a lesser extent the expected stock volatility, the probability of a change in control and future stock issuances which impact the term of the warrants. Significant increases or decreases in the estimated fair value of our common stock would significantly impact the fair value of the warrant liability. The fair value of our common stock is based on a number of quantitative and qualitative factors as described in Stock-Based Compensation section above.

Recent Accounting Pronouncements

Under the Jumpstart Our Business Startups Act, or the JOBS Act, we meet the definition of an emerging growth company. We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In May 2014, the Financial Accounting Standards Board, or FASB, issued guidance related to revenue from contracts with customers. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The updated standard will replace all existing revenue recognition guidance under GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In July 2015, the FASB voted to defer the effective date to January 1, 2018, with early adoption beginning January 1, 2017. In March, April and May 2016,

the FASB issued additional amendments to the new revenue guidance relating to reporting revenue on a gross versus net basis, identifying performance obligations and licensing arrangements, and other narrow scope improvements. We are evaluating the impact of adopting this guidance on our consolidated financial statements.

In April 2015, the FASB issued new guidance related to the customer's accounting for fees paid in a cloud computing arrangement, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. This guidance was effective for annual reporting periods beginning after December 15, 2015. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued new guidance which significantly changes the accounting for leases. The new guidance requires a lessee recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. For income statement purposes, the new guidance retained a dual model, requiring leases to be classified as either operating or financing. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern similar to existing capital lease guidance. For statement of cash flow purposes, the new guidance also retained the existing dual method, where cash payments for operating leases are reflected in cash flows from operating activities and principal and interest payments for finance leases are reflected in cash flows from financing activities and cash flows from operating activities, respectively. The new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The new guidance requires the recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective approach. The use of the modified retrospective approach allows an entity to use a number of practical expedients in the application of this new guidance. We are evaluating the impact of adopting this guidance on our consolidated financial statements.

In March 2016, the FASB issued new guidance to simplify various aspects relating to accounting for stock-based compensation and related tax impacts, the classification of excess tax benefits on the statement of cash flows, statutory tax withholding requirements and other stock based compensation classification matters. The guidance is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. All of the amendments in the new guidance must be adopted in the same period. We are evaluating the impact of this guidance on our consolidated financial statements. We plan to adopt this guidance during the first quarter ended March 31, 2017.

In August 2016, the FASB issued cash flow guidance which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including presentation of cash flows relating to contingent consideration payments, debt prepayment and debt extinguishment costs, among other matters. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If adopted in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The adoption of this guidance should be applied using a retrospective transition method to each period presented, unless impracticable to do so. We are evaluating the impact of this guidance on our consolidated statement of cash flows.

Quantitative and Qualitative Disclosures about Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate, foreign exchange and inflation risks, as well as risks relating to changes in the general economic conditions in the countries where we conduct business. To reduce these risks, we monitor the financial condition of our clients and limit credit exposure by collecting in advance and setting credit limits as we deem appropriate. In addition, our investment strategy has historically been to invest in financial instruments that are highly liquid and readily convertible into cash and that mature within three months from the date of purchase. To date, we have not used derivative instruments to mitigate the impact of our market risk exposures. We have also not used, nor do we intend to use, derivatives for trading or speculative purposes.

Interest Rate Risk

We are exposed to market risk related to changes in interest rates.

Our investments are considered cash equivalents and primarily consist of money market funds. At June 30, 2016, we had cash and cash equivalents of $13.6 million. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these instruments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. Due to the short-term nature of our investment portfolio, however, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

We do not believe our cash equivalents have significant risk of default or illiquidity. While we believe our cash equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. We cannot be assured that we will not experience losses on these deposits.

We are exposed to market risk from changes in interest rates on our 2013 Term Loan and our 2016 Incremental Term Loan, which bear interest at (i) the greater of LIBOR or 1.5% plus (ii) 8%. As of June 30, 2016, we had $35.7 million of principal outstanding under our credit facility. We have not used any derivative financial instruments to manage our interest rate risk exposure.

Foreign Currency Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. Dollar. Our historical revenues have primarily been denominated in U.S. Dollars, and a significant portion of our current revenues continue to be denominated in U.S. Dollars. However, we expect an increasing portion of our future revenues to be denominated in currencies other than the U.S. Dollar, primarily the Euro and British pound. The effect of an immediate 10% adverse change in foreign exchange rates on foreign-denominated accounts receivable at June 30, 2016 would not be material to our financial condition or results of operations. Our operating expenses are generally denominated in the currencies of the countries in which our operations are located, primarily the United States and, to a much lesser extent, the United Kingdom, other European Union countries, Canada, Australia, and Singapore. Increases and decreases in our foreign-denominated revenue from movements in foreign exchange rates are partially offset by the corresponding decreases or increases in our foreign-denominated operating expenses.

As our international operations grow, our risks associated with fluctuation in currency rates will become greater, and we will continue to reassess our approach to managing this risk. In addition, currency fluctuations or a weakening U.S. Dollar can increase the costs of our international expansion. To date, we have not entered into any foreign currency hedging contracts, since exchange rate fluctuations have not had a material impact on our operating results and cash flows. Based on our current international structure, we do not plan on engaging in hedging activities in the near future.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

BUSINESS

Overview

We have created a comprehensive cloud-based software platform designed to transform and modernize accounting and finance operations for organizations of all types and sizes. Our secure, scalable platform supports critical accounting processes such as the financial close, account reconciliation, intercompany accounting and controls assurance. By introducing software to automate these processes and to enable them to function continuously, we empower our customers to improve the integrity of their financial reporting, achieve efficiencies and enhance real-time visibility into their operations.

Critical accounting and finance processes underlie the integrity of an organization's financial reports. The lack of effective accounting and finance tools can result in inefficient and cumbersome processes and, in some cases, accounting errors, restatements and write-offs, as well as material weaknesses and significant deficiencies. Traditional enterprise resource planning, or ERP, systems do not generally provide effective solutions for processes handled outside of an organization's general ledger, such as balance sheet account reconciliation, intercompany transaction accounting and the broader financial close process. Many organizations also use multiple ERPs and other financial systems without a platform to efficiently integrate them. As a result, to manage these tasks organizations rely on spreadsheets and other labor-intensive processes that are unsuited for the increasing regulatory complexity and transaction volumes encountered by many modern businesses. We believe that we are creating a new category of powerful software that is capable of replacing this outdated approach through cloud-based automation and streamlining of accounting and finance operations, in a manner that complements and supports traditional ERP systems. We believe our customers benefit from cost savings through improvements in process management and staff productivity, in addition to a faster financial close.

Our mission is to transform how corporate accounting and finance departments operate. Our approach modernizes what historically has been done through batch processing and manual controls typically applied only during the month, quarter or year-end financial close, and delivers dynamic workflows embedded within a real-time, highly automated framework, a process we refer to as "continuous accounting." It also enables up-to-date analytics, provides industry-benchmarked metrics and is designed to help customers run more leanly while achieving greater accuracy, control and transparency. We believe the need for our software has been driven by growing business and information technology complexities, transaction volumes and expanding regulatory requirements. Our software integrates with and obtains data from more than 30 different ERP systems, including NetSuite, Oracle, SAP and Workday, as well as many other financial systems and applications such as bank accounts, sub-ledgers and in-house databases.

We believe that we have a leading position in the enhanced financial controls and automation market because we were one of the first companies to bring software with this functionality to market and we have a limited number of competitors. The 2016 Gartner Report* identified us as a Leader in the newly created Magic Quadrant for Financial Corporate Performance Management Solutions for our completeness of vision and ability to execute. According to a study we commissioned with Frost & Sullivan, in 2015 there were more than 46,000 corporate organizations in North America and more than 165,000 worldwide that are in our addressable market with revenues greater than $50 million. According to Frost & Sullivan, these companies employ over 13 million accounting and finance personnel, with over 5.5 million in North America alone, all of whom could be potential users of our software platform. Based on its assessment of the number of corporate organizations, accounting

* See "Industry and Market Data."

finance personnel globally and certain assumptions regarding pricing of our products, Frost & Sullivan estimates that our total addressable market in 2015 was $7.2 billion in North America and $9.4 billion in Europe, Asia Pacific and Latin America, and is expected to grow to a global total addressable market of $19.7 billion by 2018.

We sell our software solutions primarily through our direct sales force, which leverages our relationships with technology vendors, professional services firms and business process outsourcers, to expand our sales and marketing reach. Our distribution strategy is based on a land-and-expand model and is designed to capitalize on the ease of use and ease of implementation. Our customers include large public and private organizations and small and medium-size businesses across a variety of industries, including healthcare, technology, telecom, financial services, consumer retail and industrial equipment and services. As of June 30, 2016, we had over 147,000 individual users in approximately 120 countries across more than 1,500 customers.

We have experienced significant revenue growth and adoption of our platform in recent periods. For the years ended December 31, 2014 and 2015, we had revenues of $51.7 million and $83.6 million, respectively, and we incurred net losses of $16.8 million and $24.7 million, respectively. For the six months ended June 30, 2015 and 2016, we had revenues of $37.5 million and $55.6 million, respectively, and we incurred net losses of $10.8 million and $16.9 million, respectively. See “Summary Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other information included in this prospectus for a discussion of our financial performance.

Industry Background

Accounting is a Universal and Mission-Critical Function

Organizations need reliable financial information to plan and execute business initiatives, measure operational progress and satisfy regulatory and financial obligations. For each period-end, enterprise accounting functions typically record, process, reconcile, consolidate and report financial transactions that are consolidated into useable financial information. These activities typically support other core business functions such as payroll, treasury, procure-to-pay and order-to-cash processes. Traditionally, many accounting processes, such as balance sheet account reconciliation, intercompany transaction accounting and the broader financial close calendar, have been managed and tracked with spreadsheets that were manually reconciled on a periodic basis, which can often be labor-intensive, inefficient and subject to error. The risks of employing traditional methods include lapses in regulatory compliance, damage to brand and public image, and negative impacts on financial health and transparency.

Modern Business is Increasingly Complex

Organizations of all sizes are operating in an increasingly global, complex, and fast-moving business environment that presents significant challenges to the performance of the accounting and finance functions. Accountants must process and verify transactions that occur both within and across international borders, involve multiple currencies and require compliance with varying legal, regulatory, and tax frameworks. This transactional complexity is exacerbated by other factors typical of global business, such as distance, language barriers and differing time zones. In addition, modern enterprises generate massive amounts of transaction data. It is common for organizations to have thousands of different accounts—potentially comprising billions of records—and to use numerous different financial and operational systems that store data. Furthermore, companies employ increasingly sophisticated corporate structures that often require accountants to reconcile accounts across various business units and geographies. We believe that the complexity of modern corporate structures and transactions, combined with mounting transaction volumes and a fragmented information technology landscape, creates a significant need for increased automation, efficiency, and visibility in accounting and finance.

The Risk of Regulatory Non-Compliance is Significant

Public accounting follows a variety of rules and standards for the processing, recognition, and reporting of transactions. These standards, such as generally accepted accounting principles, or GAAP, and International Financial Reporting Standards, or IFRS, are highly specific, apply differently across industries and geographies and, in some cases, provide conflicting guidance. More specific frameworks such as the Sarbanes-Oxley Act of 2002 govern internal controls, disclosure management, and audit conduct. Some highly-regulated industries, including financial services, gaming and insurance, have additional specific regulatory requirements. In addition, accounting standards periodically change, such as the revenue recognition accounting standard issued by the FASB in 2014, which must be adopted by public companies over the next several years and will require an overhaul of many public accounting systems and practices. The resulting tangle of stringent, changing and sometimes conflicting regulations typically requires that organizations maintain more than one set of records, invest heavily in implementing and monitoring internal controls, and undergo expensive and time-consuming audits.

Incorrect financial information can have severe repercussions. A single restatement can cost millions of dollars in forensic and audit fees, lead to significant remediation expenses, generate investor lawsuits and seriously damage an enterprise's reputation. A material weakness can also trigger noncompliance with debt covenants and damage an organization's credit-worthiness. The SEC has also proposed new rules that will require companies to "claw back" incentive-based executive compensation as a result of an accounting restatement. According to the Center for Audit Quality, from 2003 to 2012, 10,479 accounting restatements were reported by SEC reporting companies, including 4,246 restatements requiring reissuance of the affected financial statements, and there was a demonstrated negative near-term effect on the public market price of securities of many companies making such restatements.

Companies Lack Real-Time, Actionable Data from Their Accounting Departments

As complexity, transaction volume, and regulatory scrutiny increase, management teams often find themselves without clear and immediate insight into their accounting and finance processes and results. In most cases, the accounting department's work is done within desktop applications or with the use of spreadsheets, leaving management with an incomplete view of their progress in closing, consolidating, and reporting each period. By the time data is manually compiled, it is often days or weeks out-of-date, limiting the ability to effectively track and analyze fluctuations and trends, detailed metrics on individual and team performance, and transaction risk profiles in a timely manner.

Such lack of visibility limits the ability of accounting managers to influence ongoing accounting operations. Instead, they are often relegated to conducting quality control measures after a process is completed. Important decisions may be made by less experienced employees and costly errors, such as unreconciled balances or unapproved fund transfers may go undetected. In addition, the discipline of accounting frequently lacks established metrics by which to gauge performance.

Accounting Professionals Face Compressed Deadlines and a Heightened Expectation of Accuracy

Many organizations, and public companies in particular, have adopted a practice of reporting financial information by a fixed date following their quarter close. Given limited resources, an accelerated timetable can put immense pressure on a company's accounting function. Accounting professionals are expected not only to address business and regulatory challenges but also to achieve completeness and accuracy of operating results to ensure financial integrity. Given these challenges and deadlines, accountants are often forced to leave certain accounts and transactions unreconciled, which can dramatically increase risk and create situations of concern for controllers, chief financial officers and audit committee members.

Traditional Accounting Processes and Tools are Inefficient

The processes and software solutions traditionally employed by accountants, such as general ledgers and ERP systems, do not provide effective solutions for critical, non-general ledger accounting and finance processes such as balance sheet account reconciliation, intercompany transaction accounting and the overall management of the entire financial close process. Most core accounting and financing systems are designed as batch transaction repositories without the ability to consume and process continuous streams of data. In addition, most organizations use multiple ERPs and many other financial systems across their IT environments. Traditionally available accounting tools are inflexible, expensive to configure and maintain, and do not scale easily. As a result, we are addressing a clear need for new scalable accounting and finance tools that can consume data from a variety of sources, process it quickly with embedded business logic, provide a collaborative workspace for accountants, and then store information within a data warehouse or ERP system. Furthermore, accounting processes themselves have not evolved over time and instead remain focused on producing financial information only after period-end, ignoring the growing demand for a more streamlined, continuous approach to accounting.

The BlackLine Solution

We provide a powerful cloud-based software platform designed to automate and streamline accounting and finance operations. The key elements of our solutions include:

Comprehensive Platform

We offer an integrated suite of applications that delivers a broad range of capabilities that would otherwise require the purchase and use of multiple products to support critical accounting processes such as the financial close, account reconciliations, intercompany accounting and controls assurance. Our platform consists of seven core cloud-based products, including Account Reconciliation, Task Management, Transaction Matching, Journal Entry, Variance Analysis, Consolidation Integrity Manager and Daily Reconciliation. Customers typically purchase these products in packages that we refer to as solutions, but they have the option to purchase these products individually. Current solutions include our Reconciliation Management and Financial Close Management, Intercompany Hub and Insights. The technology underpinning our platform includes a comprehensive base of accounting-specific business logic and rules engines, which enable our customers to implement continuous accounting.

Enterprise Integration

Our platform provides simple, secure and automated tools and integrations to transfer data to and from a range of enterprise-wide processes and systems, including ERPs, financial systems and in-house databases, and other custom applications and data. Our platform integrates with over 30 ERP systems, including NetSuite, Oracle, SAP and Workday. In addition, for companies with multiple systems and complex needs, we can connect with any number of general ledger systems simultaneously, resolving many of the issues associated with consolidating data across systems.

Independence

Our platform is not dependent on any single operating system and works with most major ERP systems our customers may use. Our cross-system functionality allows us to reach a broader group of customers. We are also able to focus on and innovate for the needs of the customers irrespective of updates or changes in their existing systems. We believe this independence provides us with a competitive advantage in the industry over traditional methods.

Ease of Use

Our platform is designed by accountants for accountants to be intuitive and easy to use. We strive to enable any user to rapidly implement our platform to manage their accounting and finance activities, from the simplest to the most sophisticated tasks. Our user-friendly interface provides clear visualization of accounting and finance data, enables user collaboration and streamlines business processes.

Innovation

Our ability to develop innovative products has been a key driver of our success and organic growth. Through a history and culture of thought leadership, we have created a new category of powerful software that automates and streamlines antiquated, manual accounting processes to better meet our clients' diverse and rapidly changing needs, and we continue to focus on providing advanced solutions to time and labor intensive accounting practices. Examples of recent innovations include the launches of our Intercompany Hub solution, which is designed to manage all intercompany transactions through one centralized, cloud-based system, and the launch of our Insights solution, which provides real-time performance measures and a benchmarking dashboard.

Security

The robust security features embedded in our platform are designed to meet or exceed both industry standards and the stringent security requirements of our customers. We engage independent security auditors to assess the effectiveness of our comprehensive information security program consisting of risk-driven policies and procedures.

Key Benefits

Our platform is designed to provide the following benefits to our customers:

Flexibility and scalability

Our unified cloud platform is designed for modern business environments and has broad applicability across large and small organizations in any industry. The platform supports complex corporate structures, provides integration across all core financial systems, manages multiple currencies and languages, and scales to support high transaction volumes.

Embedded controls and workflow

Our platform was designed for the complex global regulatory environment. Our platform embeds key controls within standardized, repeatable, and well-documented workflows, which are designed to result in substantially reduced risk of non-compliance or negative audit findings, greater tolerance for regulatory complexity and increased confidence in financial reports.

Real-time visibility

We provide users with real-time visibility into the status, progress and quality of their accounting processes. With configurable dashboards, user-defined reporting, and the ability to drill down to individual reconciliations, journals and tasks, users can track open items, identify bottlenecks within a process or intervene to prevent mistakes.

Automation and efficiency

Our platform can ingest data from a variety of sources, including ERP systems and other data repositories, and apply powerful, rules-driven automation to reconciliations, journals and transactions. This streamlines accounting processes, minimizes manual data entry, and improves individual productivity to help ensure that accounting processes are completed on time. As a result, this automation allows users to focus on value-added activities instead of process management.

Continuous processing

Our platform helps organizations embed quality control, compliance and financial integrity into their day-to-day processes rather than rely on the traditional process of validating financial information at the end of each period. Activities such as account reconciliation and variance analysis can be performed in real-time, thus reducing the risk of errors and creating a more agile accounting environment.

Our Growth Strategy

We intend to continue investing in a number of growth initiatives to provide our customers with advanced solutions and to address and expand our market opportunity. Our principal growth strategies include the following:

Continue to Innovate and Expand Our Platform

Our ability to develop new, market-leading applications and functionalities is integral to our success. We intend to continue extending the functionality and range of our applications to bring new and improved solutions to accounting and finance. Examples of recent innovations include the launch of our Intercompany Hub solution, which is designed to manage all intercompany transactions through one centralized, cloud-based system and the launch of our Insights solution, which provides real-time performance measures and a benchmarking dashboard.

Enhance Our Leadership Position in the Enterprise Market and Mid-Market Customer Base

We believe we have a leading position in the enhanced financial controls and automation market with both enterprise market and mid-market customers, and we were recognized as a Leader by the Gartner Report* in the newly created Magic Quadrant for Financial Corporate Performance Management Solutions for our completeness of vision and ability to execute. We had more than 1,500 customers across a variety of industries and geographies as of June 30, 2016. Our customers include some of the largest multi-national enterprises, as well as leading medium and small businesses around the world. We intend to leverage our brand, history of innovation and customer focus to maintain and grow our leadership position with enterprise market customers. We believe that mid-market businesses are particularly underserved and that our platform can help these businesses modernize their accounting and finance processes efficiently and effectively. We have made recent investments to grow our mid-market sales team, and plan to continue leveraging our network of resellers to grow our mid-market business globally.

Increase Customer Spend through Expanded Usage and Adoption of Additional Products

We believe there is a significant opportunity to increase sales of our products within our existing customer base. We pursue a land-and-expand sales model to increase the use of our platform by selling additional solutions and features and increasing the number of users within our customers' organizations. Our pricing model is designed to allow us to capture additional revenue as our customers' usage of our platform grows, providing us with an opportunity to increase the lifetime value of our customer relationships.

* See "Industry and Market Data."

Expand Our International Operations and Customer Footprint

We believe that we have a significant opportunity to expand the use of our cloud-based products outside the United States. We currently have users in approximately 120 countries, and our platform supports applicable international accounting standards as well as 16 languages and all ISO currencies. We derived approximately 16% of our revenues from sales outside the United States in the six months ended June 30, 2016, and we derived approximately 14% of our revenues from sales outside the U.S. in the year ended December 31, 2015 and believe there are substantial opportunities to increase sales to customers outside of the U.S. We have an established presence in Australia, Canada, England, France, Germany, the Netherlands and Singapore and we intend to invest in further expanding our footprint in these and other regions.

Extend Our Customer Relationships and Distribution Channels

We have established strong relationships with key industry participants to supplement marketing and delivery of our applications. These relationships include agreements with technology vendors such as SAP and Netsuite, professional services firms such as Deloitte & Touche and KPMG, and business process outsourcers, or BPOs, such as Cognizant, Genpact and IBM.

These relationships enable us to effectively market our solutions by offering a complementary suite of services to our customers. In particular, we offer our customers an integrated SAP-endorsed business solution through our relationship with SAP. We intend to continue to strengthen and expand our existing relationships, seek new relationships and further expand our distribution channels to help us expand into new markets and increase our presence in existing markets.

Customers

Our customers include multinational corporations, large domestic enterprises and mid-market companies across a broad array of industries. These businesses include publicly-listed entities and privately-owned enterprises, as well as non-profit entities. From January 1, 2012 to December 31, 2014, our customer base increased from approximately 500 customers to nearly 1,000 customers. As of June 30, 2016, we had over 147,000 individual users in approximately 120 countries across more than 1,500 customers. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the six months ended June 30, 2016, sales to enterprise and mid-market customers represented 83% and 17% of our revenues, respectively. For the years ended December 31, 2014 and 2015, sales to enterprise customers represented 90% and 86% of our revenues, respectively, while sales to mid-market customers represented 10% and 14% of our revenues, respectively.

Our customers operate in complex, diverse and often global information technology ecosystems with numerous general ledgers, sub-ledgers, treasury systems, and ERP systems from different vendors, including NetSuite, Oracle, SAP and Workday. Our platform is designed for and used by employees across the organization, including end users such as internal accounting employees, controllers and chief accounting officers, as well as chief financial officers and other senior executives and external auditors.

We believe our customers benefit from improvements in process management and staff productivity, in addition to a faster financial close. Cost savings are achieved from the reconciliations of accounts, across approval and review roles, in process administration, and in audit, storage and paper expenses.

The following is a sample of our current customers across some of the industries we serve. The customers below vary in size of their respective business and the amount of revenue we derive from them.

Consumer/Retail
Costco Wholesale Corporation
Kraft Heinz Foods Company
Mondelez
The Coca-Cola Company
Under Armour

Healthcare
Alliance Healthcare Services
American Dental Partners, Inc.
Brooks Rehabilitation
DaVita HealthCare Partners Inc.
Shire Pharmaceuticals
Zeltiq Aesthetic

Financial Services
CSAA Insurance Exchange
Russell Investment Group
RSA Insurance Group plc
SunTrust Bank
Xoom Corporation

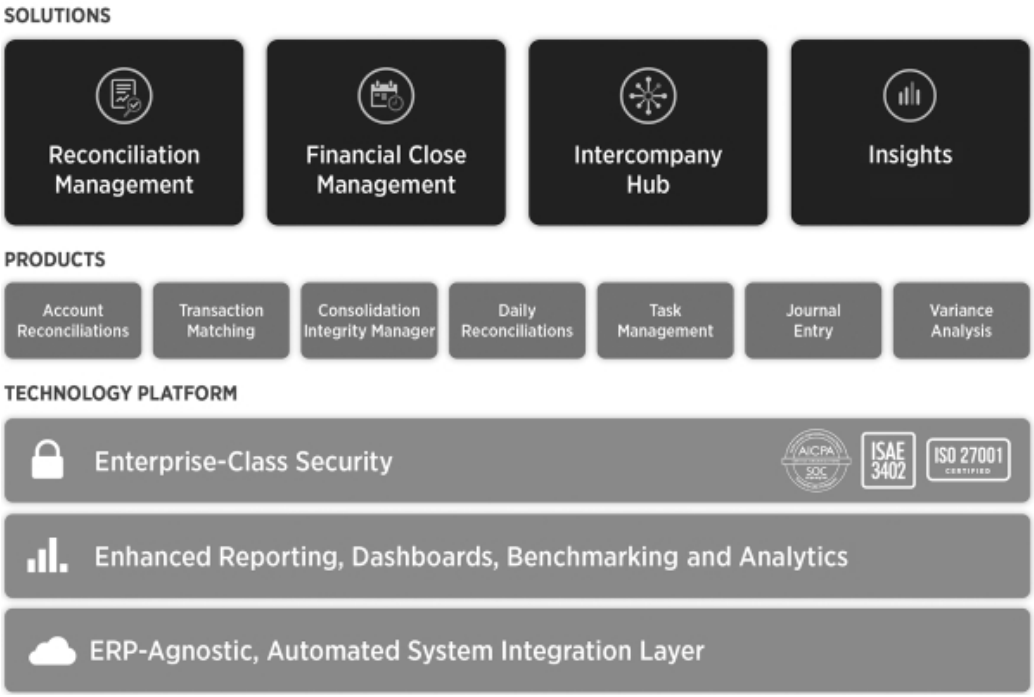
Technology
Adaptive Insights
Autodesk
GoDaddy.com
Rackspace
Zendesk, Inc.

Industrial/Energy
British Gas Trading Limited
Greif Inc.
Hubbell Incorporated
Kimberly-Clark Global Sales, LLC
Stanley Black & Decker
Tyco International Management Company LLC

Services
Brink's Company
Kempinski Hotels
Orange Lake Resorts
SiriusXM Radio Inc.

Products and Services

Our platform consists of seven core cloud-based products, including Transaction Matching, Account Reconciliations, Consolidation Integrity Manager, Journal Entry, Variance Analysis, Task Management and Daily Reconciliations. Customers typically purchase these in packages that we refer to as solutions, but they have the option to purchase these products individually. Current solutions include our Reconciliation Management, Financial Close Management, Intercompany Hub and Insights.



Reconciliation Management

The process of verifying and validating transactions, balances, and consolidated financial results is referred to as account reconciliation. Our Reconciliation Management solution provides a framework for the reconciliation process, allowing users to build integrity checks and automation into the entire end-to-end work flow. The solution includes:

- ***Account Reconciliations*** provides a centralized workspace from which users can collaborate to complete account reconciliations. Features include standardized templates, workflows for review and approval, linkage to policies and procedures, and integrated storage of supporting documentation. The product automates otherwise manual activities in the reconciliation process, significantly reducing time and effort and increasing productivity. It also enhances internal controls by facilitating the appropriate segregation of duties, simplifying reconciliation audits, and adding transparency and visibility to the reconciliation process.
- ***Transaction Matching*** analyzes and reconciles high volumes of individual transactions from different sources of data based upon user-configured logic. Our rules engine automatically identifies exceptions, errors, missing data, and variances within massive data sets. The matching engine processes millions of records per minute, can be used with any type of data, and allows customers to reconcile transactions in real-time.
- ***Consolidation Integrity Manager*** manages the automated system-to-system tie-out process that occurs during the consolidation phase of the financial close. Companies with multiple ERPs utilize a consolidation system to produce their consolidated financial results. Because these systems contain and produce information that changes continually and requires constant adjustments, a final tie-out that is typically handled manually in a spreadsheet is necessary prior to publishing results. This product automates the tie-out process, aggregating balances from dozens or hundreds of different systems and allowing users to identify exceptions and create adjustments quickly.
- ***Daily Reconciliations*** narrows the scope of a reconciliation to a single day's transactions or balance detail. Users can then perform their analysis in minutes per day, rather than attempting to review an entire month's worth of activity in a limited time during the period-end close. Some industries, such as banking, require that organizations track the creation and certification of daily reconciliations. Daily reconciliations are a prime example of continuous accounting in action.

Financial Close Management

The collection of processes by which organizations reconcile, consolidate and report on their financial information at the end of each period is referred to as the financial close. Our Financial Close Management solution allows customers to manage the key steps within the close, applying automation where possible, and ensure that tasks are properly completed and reviewed. This solution includes the components of the Reconciliation Management solution, as well as the following products:

- ***Task Management*** enables users to create and manage processes and task lists. The product provides automatic and recurring task scheduling, includes configurable workflow, and provides a management console for accounting and finance projects. Though most commonly used with the financial close, users can create task lists and projects for hundreds of different use cases ranging from external audits to environmental impact surveys.
- ***Journal Entry*** allows users to manually or automatically generate, review, and post manual journal entries. Journals can be automatically allocated across multiple business units and calculated based on complex, client-defined logic. More importantly, the addition of validation and approval checkpoints helps ensure the integrity of information passed to other financial

applications. Customers can use the Journal Entry product to pass information to hundreds of different ERPs and subsystems in a configurable, easily consumable format.

- ***Variance Analysis*** provides “always-on” monitoring and automatically identifies anomalous fluctuations in balance sheet and income statement account balances. Once an account in flux is identified, users are automatically alerted so they can research and determine the source of the fluctuation.

Intercompany Hub

Intercompany transactions occur when entities within a corporate parent organization transact with each other. These transactions are some of the most complex and frequent sources of uncertainty for the accounting function. Our Intercompany Hub solution, which was made generally available in November 2015, manages the entire intercompany transaction lifecycle within our platform and we believe it is the only widely available end-to-end intercompany solution. This solution includes the following features:

- ***Intercompany Workflow*** replaces informal, ad-hoc intercompany requests and approvals with a simple, structured workflow approval process. The application stores permissions by entity and transaction type, ensuring that both the initiator and the approver of the intercompany transaction are authorized to conduct business.
- ***Intercompany Processing*** records an organization’s intercompany transactions once they reach an appropriate completion level and posts them to the appropriate systems from a single source. The product automatically incorporates local taxes, exchange rates, invoicing requirements and customer-specific transfer pricing so that the resulting journal entries will net, which reduces the possibility of intercompany differences and eliminates the need to perform a manual reconciliation.
- ***Netting and Settlement*** automatically generate a real-time, aggregated settlement matrix, which show the balance of transactions across an entire organization. Users can filter the information by transaction type, currency or business relationship, easing the process of netting transactions and helping them make informed, strategic decisions.

Insights

Our platform provides us with detailed information about the accounting and finance function for most of our cloud-based customers. Insights, which was made generally available in November 2015, aggregates and analyzes that information and can help clients assess productivity, risk, and timeliness. We also provide a series of key performance indicators and allow clients to compare metrics across their own operating entities, set goals, and gauge their performance over time. Insights provides benchmarking, scores for a variety of industries, company sizes and geographies. These benchmarks are drawn from actual client usage of the application, rather than survey data, which provides valuable context for users.

Services

Customer service is essential to our success. We offer the following services for our customers:

- ***Implementation***. With a focus on configuration over customization, our implementation approach favors rapid and efficient deployments led by accounting experts, rather than technical resources. A typical project will focus on mapping our application to a customer’s current or ideal process, coaching them on best practices, and helping organizations become self-sufficient, instead of dependent on additional professional services. For clients that elect to

work with a business process outsourcer or other company for implementation services, our implementation team provides ongoing support in order to ensure that the implementation or finance transformation projects are completed successfully. We generally provide this service for a fixed fee.

- ***Support***. We provide live customer support 24/7/365 from our offices in Los Angeles, Sydney, and London. All customers have access to support resources by phone, email or through our portal, free of charge.
- ***Customer Success.*** Our customer success managers, many of whom are former users, provide customers with best practices and help create a roadmap for expanded usage of our platform. We believe that this service, which is made available to all customers, is central to our retention and upsell efforts.
- ***Training***. We offer a variety of live and web-based training options, but most customers elect to consume their training through our e-learning environment, BlackLine U. Courses cover platform functionality, as well as the underlying concepts that make reconciliation, the financial close, and other accounting and finance activities necessary.

Sales and Marketing

We sell our solutions through our direct sales force. Our enterprise field sales team focuses on selling our solutions to large, global enterprises with annual revenues above $500 million. Our mid-market sales team focuses on selling our solutions to mid-market businesses with annual revenues between $50 million and $500 million. We also have an account management team dedicated to our existing customer base that generates sales by focusing on contract renewals, expanding the current number of users within an organization and up-selling additional products.

Our direct sales force leverages our relationships with technology vendors such as SAP and Netsuite, professional services firms such as Deloitte & Touche and KPMG and business process outsourcers such as Cognizant, Genpact and IBM, to influence and drive customer growth. In particular, we offer our customers an integrated SAP-endorsed business solution in connection with our relationship with SAP. We also utilize a reseller channel that includes software vendors throughout the world and offer training in our solutions so that our reach is further extended by more than 800 certified consultants.

Our marketing efforts are focused on creating sales leads, establishing and extending our brand proposition, generating product awareness, and cultivating our community of users. We generate sales leads primarily through word-of-mouth, search engine marketing, outbound lead generation and our network of business process outsourcers, business services organizations and resellers. We leverage online and offline marketing channels on a global basis and organize customer roundtables and user conferences and release white papers, case studies, blogs, and digital programs and seminars. We have further extended our brand awareness through sponsorships with leading industry organizations such as the American Institute of Certified Public Accountants, or AICPA, the Institute of Management Accountants, or IMA, the Financial Executives International, or FEI, the Institute of Chartered Accountants in England and Wales, or ICAEW, and the Association of Chartered Certified Accountants, or ACCA.

Technology, Operations and Development

Technology

Our platform has been designed to deliver a consistent, scalable, high-performing and secure experience for our customers. Our platform is enabled by rules engines, flexible templates, role-based

workflows and accounting-specific business logic. We deliver our hosted solution on a single code base and via a multi-tenant architecture with unique database instances for each customer. All SaaS customers run the current version of our platform and access it through a web browser. We utilize industry-leading hardware and software components to deliver on the following objectives:

- ***Scalability and Performance***. Our platform supports a high, sustained level of client activity and a large, globally distributed client base while remaining high-performing and reliable. Our infrastructure incorporates load balancing technology and can scale quickly to absorb spikes in usage. We also monitor application performance and intervene as necessary to prevent degradation. Finally, our platform incorporates technologies to manage volume within the solutions. These include a near real-time data warehouse, a high-volume transaction processing engine, and a custom-built user interface.
- **Reliability**. During 2015, we had no unscheduled downtime and 99.945% total availability, including scheduled maintenance. Client data is mirrored between primary and alternate data centers, providing effective redundancy and disaster recovery.
- **Flexibility**. Our application architecture is modular, which allows us to quickly release new products or expand existing feature-sets by combining and configuring existing components. Our development has always been both rapid and responsive, which allows us to support a wide array of clients and bring new products to market while maintaining a consistent user interface and single, cohesive code base.

Security

Due to the sensitive nature of the data we store for our clients, we place a heavy emphasis on security. Our infrastructure and software products are designed to meet and exceed rigorous security standards and to assure customers that we are taking appropriate measure to protect their data.

We maintain a comprehensive information security management system that extends companywide and integrates into our core technology and business processes. This system includes deployment of a variety of detective, preventive, and deterrent controls that include technical and administrative safeguards. The controls are regularly tested, both internally and by third-party audits and penetration tests. We are certified for compliance with the ISO 27001 framework and we regularly undergo SSAE16, ISAE 3402 and SOC audits. We believe that we are in compliance with regulatory requirements and that we employ security best practices. A dedicated team of security professionals orchestrate our information security program. Our information security controls and practices include strong encryption for data at rest and in transit and extensive monitoring with comprehensive security incident detection and response process.

Operations

We host our platform and solutions for our customers in data centers located in North America (Culpeper, Virginia and Las Vegas, Nevada) and Europe (Amsterdam, Netherlands and London, United Kingdom). We contract with Verizon (Virginia and Netherlands), SuperNap (Nevada) and VMware (UK) for use of these data center facilities. These facilities provide extensive physical security, including manned security 365 days a year, 24 hours a day, seven days a week, with armed guards, video surveillance, redundant power and environmental controls, and technical controls including biometric access. Network equipment, servers, and applications are managed by our employees and we staff a network operations center, or NOC, to monitor performance 365 days a year, 24 hours a day, seven days a week. We regularly conduct risk and security assessments of these facilities and review their SSAE16, SOC, and/or ISO 27001 attestations and certifications to ensure that our datacenter providers have adequate controls to maintain availability and security of our services.

Development

Our research and development organization focuses on developing new software solutions and enhancing existing products, conducting software and quality assurance testing and improving our core technology. Our research and development organization is located primarily in our Los Angeles, California headquarters, where we are committed to recruiting, hiring and retaining top technical talent. We invest substantial resources in research and development to drive core technology innovation and to bring new products to market.

Our research and development expenses were $9.7 million in 2014, $18.2 million in 2015 and $10.5 million for the six months ended June 30, 2016. Our research and development expenses as a percentage of revenue were 18.8%, 21.8% and 18.8% for the years ended December 31, 2014 and 2015 and the six months ended June 30, 2016, respectively.

Competition

The market for accounting and financial software and services is competitive, rapidly evolving and requires deep understanding of the industry standards, accounting rules and global financial regulations.

We compete with vendors of financial automation software such as Trintech and we also compete with components of Oracle's Hyperion software.

We believe the principal competitive factors in our market include the following:

- level of customer satisfaction;
- ease of deployment and use of applications;
- ability to integrate with multiple legacy enterprise infrastructures and third-party applications;
- domain expertise on accounting best practices;
- ability to innovate and respond to customer needs rapidly;
- capability for configurability, integration and scalability of applications;
- cloud-based delivery model;
- advanced security and reliability features;
- brand recognition and historical operating performance; and
- price and total cost of ownership.

We believe we are positioned favorably against our competitors based on these factors. However, certain of our competitors may have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets and significantly greater resources.

Intellectual Property and Proprietary Rights

Our intellectual property and proprietary rights are important to our business. We currently have one patent application, which may not result in an issued patent. We primarily rely on copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. Though we rely in

part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions are larger contributors to our success in the marketplace.

Despite our efforts to preserve and protect our intellectual property and proprietary rights, unauthorized third parties may attempt to copy, reverse engineer, or otherwise obtain portions of our software. Competitors may attempt to develop similar products that could compete in the same market as our products. Unauthorized disclosure of our confidential information by our employees or third parties could occur. Laws of other jurisdictions may not protect our intellectual property and proprietary rights from unauthorized use or disclosure in the same manner as the United States. The risk of unauthorized use of our proprietary and intellectual property rights may increase as our company continues to expand outside of the United States.

Third-party infringement claims are also possible in our industry, especially as software functionality and features expand, evolve and overlap with other industry segments.

Employees and Culture

We believe our culture and employees are fundamental to our success. Therese Tucker, our founder and Chief Executive Officer, has led our company since its inception in 2001 and has built and maintained a culture committed to empowering our employees and communities around us. Our motto “Think. Create. Serve.” expresses our core values as a company dedicated to innovation and creativity, collaboration and action and service to each other and our customers.

We seek to hire talented employees and are focused on their long-term development and training. We work to foster a collaborative, performance-driven working environment where integrity, open and honest communication and accountability are embraced and cultivated. By mixing these important features with an element of fun, we seek to maintain a satisfying workplace for our employees. We are proud of our recognition as a best place to work in the Los Angeles area in 2013, 2014, 2015 and 2016.

Many of our employees have previously worked for our customers. We believe this uniquely positions us to build compelling and effective products while also enhancing the user experience for our customers. Our desire to build a platform that creates value for all stakeholders in the accounting and financial process informs our decisions regarding product design and development.

We also believe in making a positive impact on our communities. Each year during our annual Users Conference we join with our customers to perform a day of community service — in 2014, through a joint event with Windy City Habitat for Humanity, our employees, interested clients and partners volunteered their time to help rebuild homes in the Chicago area and in 2015 we did the same with Atlanta-based Habitat for Humanity to help rebuild homes in the Atlanta area.

As of June 30, 2016, we employed 490 people globally. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Facilities

Our principal executive offices are located in Los Angeles, California where we occupy approximately 66,000 square feet of space under a lease that expires in June 2022. We also occupy additional leased offices located in Chicago, Illinois; Atlanta, Georgia; New York, New York; London,

the United Kingdom; Melbourne, Australia; Sydney, Australia; Paris, France; Johannesburg, South Africa; Frankfurt, Germany; Kuala Lumpur, Malaysia; Vancouver, Canada; Ede, the Netherlands; and Singapore. We believe that our properties are generally suitable to meet our needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

Legal Proceedings

From time to time, we may be subject to legal proceedings arising in the ordinary course of business. In addition, from time to time, third parties may assert intellectual property infringement claims against us in the form of letters and other forms of communication. As of the date of this prospectus, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations, prospects, cash flows, financial position or brand.

MANAGEMENT

Executive Officers, Directors and Key Employees

The following table provides information regarding our executive officers, directors and key employees as of September 28, 2016:

Name	Age	Position
Executive Officers:		
Therese Tucker	55	Chief Executive Officer and Director
Chris Murphy	48	Chief Revenue Officer
Mark Partin	48	Chief Financial Officer
Karole Morgan-Prager	54	Chief Legal Officer
Non-Employee Directors:		
Jason Babcoke	43	Director
John Brennan	51	Chairman
William Griffith	45	Director
Hollie Haynes	44	Director
Graham Smith	56	Director
Thomas Unterman	71	Director
Other Key Employees:		
Alain Avakian	47	Chief Technology Officer
Max Solonski	44	Chief Security Officer
Mario Spanicciati	36	Chief Strategy Officer and Director
Karen Flathers	49	Chief Customer Officer

Executive Officers

Therese Tucker founded BlackLine Systems, Inc. and has served as our Chief Executive Officer and a member of our Board of Directors since August 2001. Prior to founding BlackLine Systems, Inc., Ms. Tucker served as Chief Technology Officer for SunGard Treasury Systems, Inc., a provider of software solutions and information technology services, from 1998 to 2001. Ms. Tucker holds a B.S. in Computer Science and Mathematics from University of Illinois at Urbana-Champaign.

We believe that Ms. Tucker possesses specific attributes that qualify her to serve as a member of our Board of Directors, including over 25 years of experience in the finance and technology industry and the operational insight and expertise she has accumulated as our founder and Chief Executive Officer.

Chris Murphy has served as our Chief Revenue Officer since March 2014. Prior to joining us, Mr. Murphy served as Senior Vice President and General Manager of the Financial Solutions Group for Infor, Inc., a provider of business management enterprise software, from March 2004 to February 2014. From May 2003 to February 2004, Mr. Murphy served as the Vice President of Global Sales Operations for Melita International, a provider of customer contact management solutions. From October 1999 to May 2003, Mr. Murphy served as the Vice President of Sales Operations for divine, inc., an internet incubator. From October 1991 to June 1999, Mr. Murphy served in various financial roles for Platinum Technology Inc., a management software and database company, Information Resources, Inc, a market research company, and United States Cellular Corporation, a provider of wireless services. Mr. Murphy holds an M.B.A. from DePaul University, Charles H. Kellstadt Graduate School of Business, a B.S. in finance from University of South Carolina, Darla Moore School of Business and a B.A. in French from University of South Carolina, Columbia.

Mark Partin has served as our Chief Financial Officer since January 2015 and as our Treasurer since February 2015. Prior to joining us, Mr. Partin served as the Chief Financial Officer for Fiberlink Communications Corporation (now MaaS360, an IBM Company), an Enterprise Mobility Management company from 2005 to 2014. From 1995 to 2005, Mr. Partin served in various senior financial roles for companies such as Headhunter.net, Inc. (now Careerbuilder.com), Contour Medical, Inc. (acquired by Sun Healthcare Group, Inc.), American Health Imaging, and Williams Group International. From 1991 to 1995, Mr. Partin was a CPA and auditor with Arthur Andersen & Co. in Atlanta, Ga. Mr. Partin holds an M.B.A. from Harvard Business School and a B.S. in business administration from the University of Tennessee.

Karole Morgan-Prager has served as our Chief Legal Officer since May 2015 and as our Secretary since August 2015. Prior to joining us, Ms. Morgan-Prager served as General Counsel and Corporate Secretary of McClatchy Company, a newspaper and internet publisher, from July 1995 to May 2015. She was named Vice President of The McClatchy Company in May 1998 and Vice President, Corporate Development in May 2012. From November 1992 to June 1995, Ms. Morgan-Prager served as Associate General Counsel for The Times Mirror Company, a newspaper publishing company that was acquired by Tribune Co. From October 1987 to October 1992, Ms. Morgan-Prager was an Associate with the law firm Morrison & Foerster, working on corporate securities matters. Ms. Morgan-Prager holds a J.D. from the University of California, Los Angeles and a B.A. in Journalism and Political Science from University of Nevada.

Non-Employee Directors

Jason Babcoke has served as a member of our Board of Directors since September 2013. Mr. Babcoke has served as a Managing Director of Sumeru Equity Partners, a private equity firm, since March 2014. Since July 2011, Mr. Babcoke has served as a Principal for Silver Lake Sumeru, a middle-market investment group of Silver Lake, a global private equity firm. From August 2008 to July 2011, Mr. Babcoke worked at Symphony Technology Group, a private equity firm. From July 2004 to August 2006, Mr. Babcoke served as a Senior Manager for Life Technologies, a biotech company. From February 2001 to March 2004, Mr. Babcoke served as Director of Engineering for Angstron Systems, Inc., a nano-deposition technology company, acquired by Novellus. From July 2000 to January 2001, Mr. Babcoke served as a Venture Capital Associate for The Spark Group, a technology-focused investment group. Currently, Mr. Babcoke serves as a member of the Board of Directors for Buildium, LLC. Mr. Babcoke holds an M.B.A. from Harvard Business School, an M.S. in Management Science and Engineering from Stanford University and a B.S. in Mechanical Engineering from University of California, Berkeley.

We believe that Mr. Babcoke possesses specific attributes that qualify him to serve as a member of our Board of Directors, including his experience in venture capital investing and knowledge of technology companies.

John Brennan has served as a member of our Board of Directors since September 2013 and is the Chairman of our Board of Directors. Mr. Brennan cofounded Sumeru Equity Partners, a private equity firm and has served as Managing Director since March 2014. Since February 2008, Mr. Brennan has served as a Managing Director for Silver Lake Sumeru, a middle-market investment group of Silver Lake, a global private equity firm. From June 2003 to February 2008, Mr. Brennan served as Senior Vice President of Platform Software for Adobe Systems Incorporated, a computer software company. Mr. Brennan served as Senior Vice President of SMB Segment Operations for Hewlett Packard Company, an information technology company, from April 2000 to June 2003 and as Principal and Associate Partner of Electronics and High-Tech Practice for Accenture Strategic Services, a management consulting, technology services and outsourcing company, from August 1991 to March 1999. Currently, Mr. Brennan serves as a member of the Board of Directors for ForeFlight, LLC, Influence Health, Inc.

(formerly Medseek), Talend, Digital Reasoning Systems, Inc. and Buildium, LLC. Mr. Brennan holds an M.B.A. from University of California, Berkeley Haas School of Business and a B.A. in History from Yale University.

We believe that Mr. Brennan possesses specific attributes that qualify him to serve as a member of our Board of Directors, including his experiences in the technology and venture capital industries and service as a Senior Executive for publicly traded technology companies.

William Griffith has served as a member of our Board of Directors since September 2013. Since January 2013, Mr. Griffith has served as a partner of ICONIQ Capital Group, L.P., the parent company of an independent SEC Registered Investment Advisor and one of our Investors. From January 2012 to December 2012, Mr. Griffith was a private investor. From August 2000 to December 2011, Mr. Griffith was employed by Technology Crossover Ventures, a private equity and venture capital firm, and served as a General Partner starting in 2003. Prior to joining Technology Crossover Ventures, Mr. Griffith served as an Associate for Beacon Group Ventures, a private equity firm acquired by JP Morgan Chase & Co. Before joining Beacon Group Ventures, Mr. Griffith served as an Investment Banking Analyst at Morgan Stanley, a financial services company. Currently, Mr. Griffith serves as a Board member for Age of Learning, Inc. and Procore Technologies, Inc. Mr. Griffith holds an M.B.A. from Stanford University Graduate School of Business and an A.B. in History and Engineering from Dartmouth College.

We believe that Mr. Griffith possesses specific attributes that qualify him to serve as a member of our Board of Directors, including his experience as an investment professional in the technology industry and service as a Board member for private and publicly traded companies.

Hollie Haynes has served as a member of our Board of Directors since September 2013. Ms. Haynes founded Luminate Capital Partners, a private equity firm, and has served as its Managing Partner since January 2015. Since June 2007, Ms. Haynes has served as Managing Director for Silver Lake Sumeru, a middle-market investment group of Silver Lake, a global private equity firm. Ms. Haynes joined Silver Lake in August 1999. From June 1993 to July 1997, Ms. Haynes served in various analyst roles for Hellman & Friedman, a private equity firm, and Morgan Stanley, an investment bank. Currently, Ms. Haynes serves as a member of the Board of Directors for Influence Health, Inc. (formerly Medseek), Opera Solutions, LLC, Professional Datasolutions, Inc. and Oversight Systems, Inc. Ms. Haynes holds an M.B.A. from Stanford University Graduate School of Business and an A.B. in Economics from Harvard University.

We believe that Ms. Haynes possesses specific attributes that qualify her to serve as a member of our Board of Directors, including her experience in the technology and financial industries and service as a board member for privately held companies.

Graham Smith has served as a member of our Board of Directors since May 2015. Mr. Smith served as Executive Vice President of Salesforce, Inc., a provider of customer relationship management software from April 2015 to June 2015. He also served as Salesforce, Inc.'s Executive Vice President, Finance from August 2014 to March 2015, Executive Vice President and Chief Financial Officer from March 2008 to August 2014, and Executive Vice President and Chief Financial Officer Designate from December 2007 to March 2008. From January 2003 to December 2007, Mr. Smith served as Chief Financial Officer of Advent Software, Inc., a provider of portfolio accounting software. Mr. Smith has served as a member of the board of directors for Splunk Inc., a provider of operational intelligence software, since July 2011, MINDBODY, Inc., a provider of software to the wellness industry, since February 2015, Xero, Inc., a provider of online accounting software, since February 2015 and Citrix Systems, Inc., a provider of workplace software, since December 2015. Mr. Smith holds a B.Sc. in Economics and Politics from University of Bristol in England and is qualified as a chartered accountant in England & Wales.

We believe that Mr. Smith possesses specific attributes that qualify him to serve as a member of our Board of Directors, including his experiences in the software industry and service as an Executive for publicly traded companies.

Thomas Unterman has served as a member of our Board of Directors since 2010. Since September 1999, Mr. Unterman has served as Partner for Rustic Canyon Partners, an early stage venture capital firm, which he founded in September 1999. From August 1992 to December 1999, Mr. Unterman served as Executive Vice President and Chief Financial Officer of The Times Mirror Company, a newspaper publishing company that was acquired by Tribune Co. Currently, Mr. Unterman serves as Chairman of the Board of the California Community Foundation and Westwood Technology Transfer. He is a Trustee of the California State Teachers Retirement System and a Director of several Los Angeles community based non-profit companies. He also serves as a director for several of the Rustic Canyon portfolio companies and Praedicat, a private company whose largest shareholder is Rand Corporation. Mr. Unterman holds a J.D. from University of Chicago and a B.A. from the Woodrow Wilson School of Public Affairs at Princeton University.

We believe that Mr. Unterman possesses specific attributes that qualify him to serve as a member of our Board of Directors, including his substantial experience as an executive officer of a public company, as an investment professional and as a director of private technology companies. We also believe that Mr. Unterman brings historical knowledge and continuity to the board of directors.

Other Key Employees

Alain Avakian has served as our Chief Technology Officer since March 2014. Prior to joining us, Mr. Avakian served as Chief Technology Officer for Rent.com, Inc. from July 2011 to January 2014. From February 2007 to July 2011, Mr. Avakian served as Head of Technology and Principal Architect for Rent.com, an apartment search website acquired by eBay, Inc. From July 2001 to February 2007, Mr. Avakian served as Principal Architect and Senior Software Engineer for Rent.com, Inc. From December 1992 to May 2001, Mr. Avakian served in various Senior and Lead Architect and Software Engineer roles for Stamps.com Inc., a provider of Internet-based mailing and shipping services, CitySearch, an online city guide that provides information about businesses, Tele-Communications, Inc. (now Comcast), a cable television provider, and Packard Bell, a computer manufacturing subsidiary of Acer, Inc. Mr. Avakian holds a B.S. in computer science and mathematics from California State University, Northridge.

Karen Flathers joined us in September 2016 as our Chief Customer Officer. Prior to joining us, Ms. Flathers served as the Vice President Global Field Operations of Zoura Inc., a provider of SaaS-based billing, commerce and finance management products from September 2015 to September 2016. Ms. Flathers also served as Zoura Inc.'s Vice President Professional Services from September 2014 to September 2015. From September 2008 to June 2014, Ms. Flathers served as Senior Vice President Services and Support/General Manager Software of Aclara Technologies LLC, a provider of SaaS and on premise solutions to the utility industry. From January 1999 to September 2008, Ms. Flathers served in various senior professional services roles for SAP America, Inc., a developer of business software solutions. Ms. Flathers holds a B.A. from Brown University.

Max Solonski has served as our Vice President of Information Security from March 2012 to October 2015 and was named Chief Security Officer in October 2015. From November 2010 to March 2012, Mr. Solonski served as Senior Manager of Information Security and Compliance for Mattel, Inc., a multinational toy manufacturing company. From February 2009 to November 2010, Mr. Solonski served as Manager of Global Information Security for Westfield Corporation, one of the world's leading shopping center companies. From April 2006 to January 2009, Mr. Solonski served as Manager of

Information Security for Warner Bros. Entertainment Inc., an entertainment company. From April 2002 to April 2006, Mr. Solonski served as Senior Security Analyst for The Walt Disney Company, a multinational mass media and entertainment company.

Mario Spanicciati joined us in 2004 and has served as our Chief Strategy Officer since August 2015. Previously, Mr. Spanicciati served as our Executive Vice President. He has been a member of our Board of Directors since September 2013. Prior to joining us, Mr. Spanicciati served as an Analyst for Merrill Lynch's Private Banking & Investment Group, a division of Merrill Lynch that offers personalized wealth management products and services from January 2003 to June 2004. Mr. Spanicciati holds a B.S. in Hotel Administration from Cornell University.

We believe that Mr. Spanicciati possesses specific attributes that qualify him to serve as a member of our Board of Directors, including the perspective and experience he brings as our Chief Strategy Officer. We also believe that he brings historical knowledge, operational expertise and continuity to the board of directors.

Board Composition

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of Messrs. Babcoke, Brennan, Griffith, Smith, Spanicciati and Unterman and Mses. Tucker and Haynes. Following the completion of this offering, we expect our board of directors to consist initially of eight directors. Within one year of the effective date of the registration statement, we intend to increase the size of our board of directors by one director and will fill the vacancy with a director who will be elected to serve on our audit committee and who satisfies the enhanced independence standards for audit committee members established by applicable Securities and Exchange Commission, or SEC, rules and the rules of the NASDAQ Stock Market.

Pursuant to the Stockholders' Agreement described under "Certain Relationships and Related Party Transactions—Transactions in Connection with the Offering—Stockholders' Agreement," our stockholders will be entitled to designate members of our Board as follows:

- Silver Lake Sumeru will be entitled to initially designate: (i) seven directors of up to a 13 member Board for so long as Silver Lake Sumeru beneficially owns more than 35% of the total number of shares of our common stock then outstanding; (ii) six directors for so long as Silver Lake Sumeru beneficially owns 35% or less, but more than 25% of the total number of shares of our common stock then outstanding; (iii) three directors for so long as Silver Lake Sumeru beneficially owns 25% or less, but more than 20% of the total number of shares of our common stock then outstanding; (iv) two directors for so long as Silver Lake Sumeru beneficially owns 20% or less, but more than 10% of the total number of shares of our common stock then outstanding; and (v) one director for so long as Silver Lake Sumeru beneficially owns 10% or less, but at least 5% of the total number of shares of our common stock then outstanding.
- Iconiq will be entitled to initially designate one director for so long as Iconiq beneficially owns at least 5% of the total number of shares of our common stock then outstanding.

Silver Lake Sumeru and Iconiq designees to the Board will each serve until the annual meeting of stockholders in the year in which their respective Board terms expire. If Silver Lake Sumeru or Iconiq meet the applicable beneficial ownership thresholds as of 120 days prior to such annual meetings, the Silver Lake Sumeru or Iconic designees will be nominated by the Board for election by the stockholders at such annual meeting. The Principal Stockholders will agree to vote their shares in favor of the directors nominated as set forth above. In addition, Silver Lake Sumeru and Iconiq shall be entitled to designate the replacement for any of their respective board nominees or designees, as

applicable, whose board service terminates prior to the end of the director's term. In each case, Silver Lake Sumeru's and Iconiq's nominees or designees, as applicable, must comply with applicable law and stock exchange rules.

Directors nominated or designated by Silver Lake Sumeru under the Stockholders' Agreement are referred to in this prospectus as the "Silver Lake Sumeru Directors." The initial Silver Lake Sumeru Directors will be Messrs. Babcoke and Brennan and Ms. Haynes. The initial Iconiq Director will be Mr. Griffith.

Ms. Tucker and Mr. Spanicciati will also each be entitled to membership on the Board. In the event that Ms. Tucker or Mr. Spanicciati ceases to be employed by the company for any reason and she or he beneficially owns less than 5% of the total number of shares of our common stock outstanding (i) she or he will be required to immediately tender her or his resignation from the Board effective only upon acceptance by the Board and (ii) the Board may, in its sole discretion, accept or reject such resignation. If the Board rejects the resignation, Ms. Tucker or Mr. Spanicciati, as applicable, will continue to have the right to be designated for membership on the Board; provided that the Board will have the right, by unanimous vote of the other directors (excluding both Ms. Tucker and Mr. Spanicciati), to require such director's resignation from the Board if the Board determines such resignation would be in the best interests of the company, regardless of the number of shares of common stock held by Ms. Tucker or Mr. Spanicciati.

Silver Lake Sumeru shall also have the right to have one designee serve on the audit committee until a new independent director is elected within one year of the effective date of the registration statement of which this prospectus forms a part, two designees serve on the compensation committee, and two designees serve on the nominating and corporate governance committee, if such committee is formed, subject to compliance with applicable law and stock exchange rules, so long as Silver Lake Sumeru owns at least 15% of the total number of shares of our common stock then outstanding. The Stockholders' Agreement, subject to certain exceptions, will also prohibit us from increasing or decreasing the size of our Board without the prior written consent of Silver Lake Sumeru so long as Silver Lake Sumeru owns at least 15% of the total number of shares of our common stock then outstanding. The affiliates of each of the Principal Stockholders will agree to vote their shares in favor of the directors designated as set forth above.

As of the closing of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will provide for a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2017 for the Class I directors, 2018 for the Class II directors, and 2019 for the Class III directors.

- Our Class I directors will be Ms. Tucker and Messrs. Spanicciati and Unterman.
- Our Class II directors will be Ms. Haynes and Mr. Babcoke.
- Our Class III directors will be Messrs. Brennan, Griffith and Smith.

Upon expiration of the term of a class of directors, directors for that class will be elected for three-year terms at the annual meeting of stockholders in the year in which that term expires. Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Our board of directors is responsible for, among other things, overseeing the conduct of our business, reviewing and, where appropriate, approving our long-term strategic, financial and organizational goals and plans, and reviewing the performance of our chief executive officer and other members of senior management. Following the end of each year, our board of directors will conduct an annual self-evaluation, which includes a review of any areas in which the board of directors or management believes the board of directors can make a better contribution to our corporate governance, as well as a review of our committee structure and an assessment of the board of directors' compliance with corporate governance principles. In fulfilling the board of directors' responsibilities, directors have full access to our management and independent advisors.

Director Independence

Upon completion of our initial public offering, we intend to have:

- a majority of our board of directors consisting of independent directors as defined under the rules of the NASDAQ Stock Market;
- an audit committee consisting of a majority of fully independent directors, as defined under the rules of the NASDAQ Stock Market and Rule 10A-3 of the Exchange Act, and a fully independent audit committee within one year of the effective date of the registration statement; and
- a compensation committee consisting of fully independent directors as defined under the rules of the NASDAQ Stock Market and Rule 10C-1 of the Exchange Act.

Because the Principal Stockholders will own a majority of our outstanding common stock following the completion of this offering, we will be a "controlled company" as that term is set forth in the rules of the NASDAQ Stock Market and we will be eligible to rely on certain corporate governance exemptions. Although we will qualify as a "controlled company," we do not expect to rely upon these exemptions. Under the stock exchange rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including: (1) the requirement that a majority of our board of directors consist of independent directors, (2) the requirement that our director nominees be selected or recommended for the board's selection by a majority of the board's independent directors in a vote in which only independent directors participate or by a nominating committee comprised solely of independent directors, in either case, with board resolutions or a written charter, as applicable, addressing the nominations process and related matters as required under the federal securities laws and (3) the requirement that our compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. Even as a "controlled company," we must comply with the rules applicable to audit committees set forth in the stock exchange rules.

In addition, certain phase-in periods with respect to director independence will be available to us under the stock exchange rules. We do expect to take advantage of certain of these provisions. The phase-in periods allow us to have only one independent member on the audit committee upon the listing date of our common stock, a majority of independent members on the audit committee within 90 days of the effective date of the registration statement and a fully independent audit committee within one year of the effective date of the registration statement. Our audit committee will consist of a majority of independent directors upon the listing date of our common stock and we will have a fully independent audit committee within one year of the effective date of this registration statement.

In September 2016, our board of directors undertook a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including

family relationships, our board of directors has determined that each of our directors, other than Ms. Tucker and Mr. Spanicciati, are "independent directors" as defined under the rules of the NASDAQ Stock Market. In addition, our board of directors determined that Messrs. Smith and Unterman, who are members of our audit committee, satisfy the enhanced independence standards for audit committee members established by applicable Securities and Exchange Commission, or SEC, rules and the rules of the NASDAQ Stock Market. Our board of directors has determined that Ms. Haynes and Mr. Brennan, who are members of our compensation committee, satisfy the enhanced independence standards for compensation committee members established by applicable SEC rules and the rules of the NASDAQ Stock Market. In making this determination, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence.

Board Committees

Our board of directors has an audit committee and a compensation committee. Our board of directors does not currently have a standing nominating and corporate governance committee. Other than those directors nominated or designated in accordance with the Stockholders' Agreement, in accordance with the rules of the NASDAQ Stock Market, independent directors constituting a majority of our independent directors in a vote in which only independent directors participate will recommend a director nominee for selection by our board of directors. Our board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating and corporate governance committee. Pursuant to the Stockholders' Agreement, Silver Lake Sumeru will have the right to have one designee serve on the audit committee until a new independent director is elected to serve on the audit committee within one year of the effective date of the registration statement of which this prospectus forms a part, two designees serve on the compensation committee, and two designees serve on the nominating and corporate governance committee, if such committee is formed, so long as Silver Lake Sumeru owns at least 15% of the total number of shares of our common stock then outstanding, subject to compliance with applicable law and stock exchange rules. Each of the committees has the composition and the responsibilities described below.

Audit Committee. Our audit committee oversees our corporate accounting and financial reporting process and assists our board of directors in monitoring our financial systems and our legal and regulatory compliance. Our audit committee will also:

- oversee the work of our independent auditors and our internal control function;
- approve the hiring, discharging and compensation of our independent auditors;
- approve engagements of the independent auditors to render any audit or permissible non-audit services;
- review the qualifications, independence and performance of our independent auditors;
- review the scope of the annual audit;
- review our financial statements and review our critical accounting policies and estimates;
- review the adequacy and effectiveness of our internal controls;
- review and discuss with management and our independent auditors the results of our annual audit, our quarterly financial statements and our publicly filed reports;
- review our risk assessment and risk management processes;
- establish procedures for receiving, retaining and investigating complaints received by us regarding accounting, internal accounting controls or audit matters; and
- review and approve related party transactions under Item 404 of Regulation S-K.

Upon the completion of this offering, our audit committee will consist of Messrs. Babcoke, Smith and Unterman, with Mr. Smith serving as chairperson. Each of Messrs. Smith and Unterman is considered an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Act and all members of the audit committee are financially literate. We believe that our audit committee charter and the functioning of our audit committee comply with the applicable requirements of rules and regulations of the SEC and the NASDAQ Stock Market.

Compensation Committee. Our compensation committee oversees our corporate compensation programs. Our compensation committee will also:

- review and recommend policies relating to compensation and benefits of our officers and employees;
- review and approve corporate goals and objectives relevant to compensation of our chief executive officer and other senior officers;
- evaluate the performance of our officers in light of established goals and objectives;
- recommend compensation of our officers based on its evaluations;
- administer our equity compensation plans; and
- make recommendations regarding non-employee director compensation to the full board of directors.

Upon the completion of this offering, our compensation committee will consist of Ms. Haynes and Mr. Brennan, with Mr. Brennan serving as the chairperson. We believe that our compensation committee charter and the functioning of our compensation committee comply with the applicable requirements of the rules and regulations of the SEC and the NASDAQ Stock Market.

Director Compensation

Our employee directors, Ms. Tucker and Mr. Spanicciati, have not received any compensation as directors.

The following table provides information regarding compensation of our non-employee directors for service as directors, for the year ended December 31, 2015. Other than as set forth in the table and described more fully below, in 2015 we did not pay any compensation to any person who served as a non-employee member of our board of directors who is affiliated with our Principal Stockholders or any fees to, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of the other non-employee members of our board of directors.

Name	Fees Earned or Paid in Cash	Option Awards (1)	All Other Compensation	Total
Jason Babcoke	—	—	—	—
John Brennan	—	—	—	—
William Griffith	—	—	—	—
Hollie Haynes	—	—	—	—
Graham Smith	$ 30,640(2)	$ 716,238	—	$746,878
Thomas Unterman	$ 40,000(3)	—	—	$ 40,000

(1) The amounts in the "Option Awards" column reflect the aggregate grant date fair value of stock options granted during the fiscal year computed in accordance with FASB ASC Topic 718. The assumptions that we used to calculate these amounts are discussed in Note 2 to our financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

(2) The amount shown reflects an annual cash retainer for such director's service as a member of our board of directors and audit committee. Mr. Smith joined the board of directors in May 2015 and therefore, this amount reflects payment for Mr. Smith's service on the board for part of the year.
(3) The amount shown reflects an annual cash retainer for such director's service as a member of our board of directors.

The following table lists all outstanding equity awards held by non-employee directors as of December 31, 2015:

Name	Date of Grant	Number of Shares Underlying Options Exercisable	Number of Shares Underlying Options Unexercisable	Option Exercise Price Per Share ($)(1)	Option Expiration Date
Jason Babcoke	—	—	—	—	—
John Brennan	—	—	—	—	—
William Griffith	—	—	—	—	—
Hollie Haynes	—	—	—	—	—
Graham Smith(2)(3)	5/20/2015	—	500,000	$ 2.90	5/19/2025
Thomas Unterman(4)	3/3/2014	125,000	375,000	$ 1.00	3/2/2024

(1) This column represents the fair market value of a share of our common stock on the date of grant as determined by the board of directors.
(2) Mr. Smith joined our board of directors in May 2015.
(3) Twenty-five percent (25%) of the shares (rounded down to the nearest whole number of shares) vests on each of the first four anniversaries of the vesting commencement date (May 20, 2015), subject to continued service with us through each applicable vesting date.
(4) Twenty-five percent (25%) of the shares (rounded down to the nearest whole number of shares) vests on each of the first four anniversaries of the vesting commencement date (March 3, 2014), subject to continued service with us through each applicable vesting date.

In September 2016, our board of directors adopted our outside director compensation policy. Members of our board of directors who are not employees are eligible for compensation under our outside director compensation policy. Our outside director compensation policy will be effective as of the effective date of the registration statement of which this prospectus forms a part. Under our outside director compensation policy, after the effective date of the registration statement of which this prospectus forms a part, each non-employee director will be eligible to receive compensation for his or her service consisting of annual cash retainers and equity awards as described below. Our board of directors may revise outside director compensation as it deems necessary or appropriate.

Cash Compensation. Under our outside director compensation policy, all non-employee directors will be entitled to receive the following cash compensation for their services following the effective date of the registration statement of which this prospectus forms a part.

- $40,000 per year for service as a board member;
- $20,000 per year additionally for service as chair of the audit committee;
- $10,500 per year additionally for service as chair of the compensation committee; and
- $7,500 per year additionally for service as chair of the nominating and corporate governance committee, if such committee is formed.

All cash payments to non-employee directors will be paid quarterly in arrears on a prorated basis. No additional cash compensation will be paid to an individual who serves as a member of a committee of the board.

Equity Compensation. Following the effective date of the registration statement of which this prospectus forms a part, nondiscretionary, automatic grants of stock options and restricted stock units will be made to our non-employee directors under our outside director compensation policy.

- ***Initial Award***. Each person who first becomes a non-employee director after the effective date of the registration statement of which this prospectus forms a part will be granted an equity award having a grant date value equal to $165,000 multiplied by a fraction, (1) the numerator of which is (x) 12 minus (y) the number of full months between the date of the last annual meeting of stockholders and the date the individual becomes a member of the board and (2) the denominator of which is 12, (rounded to the nearest whole share), or the Initial Award. The Initial Award will be comprised of stock options and restricted stock units, each having a grant date value of approximately 50% of the aggregate value of the Initial Award. The Initial Award will be granted on the date on which such person first becomes a non-employee director on or following the effective date of this offering. Subject to the terms of the policy, the Initial Award will vest as to 100% of the shares subject thereto upon the earlier of the one year anniversary of the grant date or the day prior to our next annual meeting of stockholders, subject to the individual's continued service through the applicable vesting date. A director who is an employee who ceases to be an employee director but who remains a director will not receive an Initial Award.
- ***Annual Award***. On the date of each annual meeting of stockholders beginning with the second annual meeting following the effective date of the registration statement of which this prospectus forms a part, each non-employee director automatically will be granted an equity award having a grant date value equal to $165,000, or the Annual Award. The Annual Award will be comprised of stock options and restricted stock units, each having a grant date value of approximately 50% of the aggregate value of the Annual Award. Subject to the terms of the policy, each Annual Award will vest as to 100% of the shares subject thereto upon the earlier of the one year anniversary of the grant date or the day prior to our next annual meeting occurring after the grant date, subject to the individual's continued service through the applicable vesting date.

The grant date value of all equity awards granted under our outside director compensation policy will be determined in accordance with U.S. generally accepted accounting principles.

Non-employee directors also are eligible to receive all types of equity awards (except incentive stock options) under our 2016 Plan, including discretionary awards not covered under our outside director compensation policy.

Any award granted under our outside director compensation policy will fully vest in the event of a change in control, as defined in our 2016 Plan, provided that the individual remains a director through such change in control.

Code of Business Conduct and Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers, and directors, including our chief executive officer, chief financial officer and other executive and senior financial officers. Upon the completion of this offering, the full text of our code of business conduct and ethics will be posted on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

Compensation Committee Interlocks and Insider Participation

The members of our compensation committee are Ms. Haynes and Mr. Brennan. Mr. Brennan is the chairperson of our compensation committee. None of the members of our compensation committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

EXECUTIVE COMPENSATION

2015 Summary Compensation Table

The following table presents information concerning the total compensation of our named executive officers, or NEOs, which consist of our principal executive officer and the next two most highly compensated executive officers, for services rendered to us in all capacities during the year ended December 31, 2015:

Name and Principal Position	Year	Salary ($)	Bonus($)	Option Awards($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)	Total
Therese Tucker							
Chief Executive Officer	2015	$322,530	—	—	$ 325,000	$ 175	$ 647,705
Mark Partin							
Chief Financial Officer	2015	$286,351	—	$3,891,736	$ 55,000	$ 10,545	$ 4,243,632
Karole Morgan-Prager							
Chief Legal Officer	2015	$179,101	$50,000(3)	$1,424,000	$ 70,000	$ 9,898	$ 1,732,999

(1) The amounts in these columns represent the aggregate grant date fair value of stock option awards as computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the awards reported in this column are set forth in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

(2) The amounts in these columns represent annual incentives earned for 2015 under our 2015 Executive Officer Bonus Plan, as described in additional detail below. For Mr. Partin and Ms. Morgan-Prager, these amounts were pro-rated based on the number of full months they were employed by the company in 2015.

(3) Reflects amount paid for a one-time signing bonus.

Non-Equity Incentive Plan Compensation

Each of our NEOs participated in the 2015 Executive Officer Bonus Plan, or the 2015 Bonus Plan, which provided for cash incentives for certain company executives, including our NEOs, for 2015 performance. Target bonuses for the NEOs were based on a percentage of his or her 2015 annual base salary. The 2015 target bonus amounts under the 2015 Bonus Plan for the NEOs were: Ms. Tucker (100%), Mr. Partin (20%), and Ms. Morgan-Prager (40%).

The 2015 Bonus Plan was designed to fund based on company performance, measured by projected net bookings and free cash flow, and, in the case of Mr. Partin and Ms. Morgan-Prager, subject to adjustment based on the NEO's individual contributions to our business. The 2015 Bonus Plan provides that if the free cash flow threshold was achieved, then the 2015 Bonus Plan would fund as to: (a) 50%, if between 80% and 99% of the projected net bookings target was achieved or (b) 100%, if 100% or above of the projected net bookings target was achieved. In addition, for Mr. Partin, the 2015 Bonus Plan provides that if between 100% and 120% of the projected net bookings target was achieved, the 2015 Bonus Plan would pay a 5% increased payout for each 1% of net bookings that was achieved, with a total cap of 200% of his target bonus. Each NEO's bonus payment under the 2015 Bonus Plan was based on the percentage at which the 2015 Bonus Plan funded as described above, and, in the case of Mr. Partin and Ms. Morgan-Prager, subject to adjustment based on the NEO's individual performance.

For 2015, our compensation committee established a net bookings target based on the change in annualized subscription and support revenue from the end of the year 2014 to the end of the year 2015 and a free cash flow target based on cash flow from operations less capital expenditures. After the end of 2015, our compensation committee determined that we did not achieve the free cash flow threshold but exercised its discretion to waive this threshold in light of our achievements in net bookings and other of our key financial areas, including revenue growth, in 2015. The compensation committee determined we achieved 100% of our projected net bookings target for 2015, and therefore determined to fund 100% of the 2015 Bonus Plan. After considering the individual performance of Mr. Partin and Ms. Morgan-Prager, our compensation committee did not make any adjustments to their bonus amounts. Each NEO received a bonus payment equal to 100% of his or her 2015 target bonus.

2015 Outstanding Equity Awards at Year-End

The following table presents information concerning all outstanding equity awards held by each of our named executive officers as of December 31, 2015:

Named Executive Officer	Grant Date	Option Awards—Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards—Securities Underlying Unexercised Options (#) Unexercisable	Option Awards—Option Exercise Price ($)(1)	Option Awards—Option Expiration Date
Therese Tucker	—	—	—	—	—
Mark Partin(2)	3/30/2015	—	2,800,884	$ 2.80	3/29/2025
Karole Morgan-Prager(3)	5/30/2015	—	1,000,000	$ 2.90	5/29/2025

(1) This column represents the fair market value of a share of our common stock on the date of grant, as determined by our board of directors.
(2) Twenty-five percent (25%) of the shares (rounded down to the nearest whole number of shares) vest on each of the first four anniversaries of the vesting commencement date (January 20, 2015), subject to continued service with us through each applicable vesting date.
(3) Twenty-five percent (25%) of the shares (rounded down to the nearest whole number of shares) vest on each of the first four anniversaries of the vesting commencement date (May 30, 2015), subject to continued service with us through each applicable vesting date.

Fiscal Year 2016 Equity Awards for Named Executive Officers

Effective as of the date of the first filing of the preliminary prospectus that includes a range of estimated offering prices, or the Preliminary Prospectus, we will grant to our named executive officers and other key employees options to purchase shares of our common stock under our 2014 Plan. The per share exercise price for each option will equal the midpoint of the range of estimated offering prices set forth in the Preliminary Prospectus. The material terms of the options to our named executive officers are described below.

Therese Tucker

Ms. Tucker will receive two stock option awards, each effective as of the filing of the Preliminary Prospectus.

The first stock option award, or the Performance-Based Option, will cover 2,414,000 shares of our common stock. The shares subject to the Performance-Based Option will vest based on

achievement of certain performance metrics and Ms. Tucker's continued service with us through the date on which achievement is determined by our board of directors or its authorized committee. For the period beginning on January 1, 2016 and ending on December 31, 2019, or the Performance Period, if we achieve certain cash flow targets as determined by our board of directors in the annual budget it approves for each of our fiscal years, or the Cash Flow Metric, then the Performance-Based Option vests based on the extent of our achievement of cumulative annual recurring revenue goals during the Performance Period. If our board of directors determines that the Cash Flow Metric was met during the Performance Period but we did not achieve at least the threshold level of achievement of our cumulative annual recurring revenue goals during the Performance Period, then the portion of the Performance-Based Option that becomes eligible to vest and become exercisable but failed to vest during the Performance Period may be eligible to vest and becomes exercisable based on the extent of our achievement of cumulative annual recurring revenue goals during the period beginning on January 1, 2016 and ending on December 31, 2020.

If, upon a "change of control" (as defined in Ms. Tucker's employment agreement), the Performance-Based Option is not vested and exercisable and is not assumed or substituted for, then it is intended that, immediately prior to such change of control, the Performance-Based Option will vest as to 100% of the shares subject to the Performance-Based Option. If, upon a change of control, the Performance-Based Option is assumed and substituted for and cumulative annual recurring revenue thresholds are met (which are based on the year in which the change of control occurs), then, immediately prior to the change of control, the Performance-Based Option will vest and become exercisable as to the number of shares subject to the Performance-Based Option equal to 1/48th of the number of shares subject to the Performance-Based Option multiplied by the total number of completed months between the date the Performance-Based Option is granted and the consummation of the change of control, rounded down to the nearest whole share, and the remaining shares will become vested and exercisable at a rate of 1/48th of the number of shares subject to the Performance-Based Option per month through the four year anniversary of the date the Performance-Based Option is granted, subject to Ms. Tucker's continued service with us through each such vesting date.

The second stock option award, or the Time-Based Option, will cover 482,800 shares of our common stock. 25% of the shares subject to the Time-Based Option (rounded down to the nearest whole number of shares) will vest on each of the first four anniversaries of the Time-Based Option's vesting commencement date, subject to Ms. Tucker's continued service with us through each such vesting date. If, upon a change of control, the Time-Based Option is not vested and exercisable and is not assumed or substituted for, then immediately prior to such change of control, the Time-Based Option will vest as to 100% of the shares subject to the Time-Based Option. If, upon a change of control, the Time-Based Option is assumed or substituted for and Ms. Tucker experiences a qualifying termination as described in her employment agreement, then the Time-Based Option will vest as to 100% of the shares subject to the Time-Based Option.

Both the Performance-Based Option and the Time-Based Option are expected to be granted subject to the terms and conditions of our 2014 Plan and the option agreements thereunder.

Mark Partin and Karole Morgan-Prager. Mr. Partin will receive an option award covering 241,400 shares of our common stock and Ms. Morgan-Prager will receive an option award covering 1,086,300 shares of our common stock, each effective as of the filing of the Preliminary Prospectus. 25% of the shares subject to each of these option awards (rounded down to the nearest whole number of shares) will vest on each of the first four anniversaries of the grant date, subject to the named executive officer's continued service with us through each such vesting date.

Executive Employment Arrangements

Therese Tucker. On August 24, 2016, we entered into an employment agreement with Therese Tucker, our Chief Executive Officer. The employment agreement has an initial term of three years from January 1, 2016 and is expected to automatically renew on each year thereafter, unless we or Ms. Tucker provides the other party at least 30 days written notice. In the event of a "change in control" (as defined in Ms. Tucker's agreement), the term will extend for an additional two years from the date of such change in control.

The employment agreement provides Ms. Tucker with an initial annual base salary of $350,000 and an on-target bonus equal to 100% of her base salary, based upon achievement of performance objectives to be determined by our compensation committee.

Ms. Tucker's employment agreement also provides that if her employment is terminated by us without "cause" (excluding by death or disability), we decide to not renew Ms. Tucker's agreement, or Ms. Tucker resigns for "good reason" (as such terms are defined in Ms. Tucker's agreement), Ms. Tucker will receive (i) a lump sum payment equal to 18 months of Ms. Tucker's base salary then in effect; (ii) a lump sum payment equal to the premium costs for Ms. Tucker and her eligible dependents to continue health insurance coverage under COBRA for 18 months; and (iii) a lump sum amount equal to the prorated portion of Ms. Tucker's annual bonus for the year of termination that would have been paid to Ms. Tucker had Ms. Tucker been employed by us for the entire fiscal year of termination, based on actual performance for the year (and assuming any individual performance goals would have been met at target levels) and (iv) a lump sum amount equal to the earned but unpaid bonus for the prior fiscal year, if any.

Ms. Tucker's employment agreement also provides that if Ms. Tucker's employment is terminated by us without "cause" (excluding by death or disability), we decide to not renew Ms. Tucker's agreement, or Ms. Tucker resigns for "good reason" and such termination occurs in connection with, or within three months before or 24 months after a "change of control" (as such term is expected to be defined in Ms. Tucker's agreement), Ms. Tucker will receive (i) a lump sum payment equal to 12 months of Ms. Tucker's base salary then in effect, or, if greater, as in effect immediately prior to the change of control; (ii) a lump sum payment equal to the premium costs for Ms. Tucker and her eligible dependents to continue health insurance coverage under COBRA for 12 months; (iii) a lump sum amount equal to the earned but unpaid bonus for the prior fiscal year, if any; and (iv) 100% of the shares subject to Ms. Tucker's outstanding Company equity awards will vest and, to the extent applicable, become exercisable.

Ms. Tucker's employment agreement also provides that if her employment is terminated due to her death or disability, Ms. Tucker will receive (i) a lump sum amount equal to the earned but unpaid bonus for the prior fiscal year, if any and (ii) a lump sum amount equal to the Ms. Tucker's target bonus, pro-rated to reflect time served in the year of termination.

Any receipt of severance benefits by Ms. Tucker will be contingent upon her execution and non-revocation of a separation agreement and release of claims against us. In the event any of the payments provided for under this agreement or otherwise payable to Ms. Tucker would constitute "parachute payments" within the meaning of Section 280G of the Code could be subject to the related excise tax under Section 4999 of the Code, she would be entitled to receive either full payment of benefits or such lesser amount which would result in no portion of the benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to her. This employment agreement does not require us to provide any tax gross-up payments.

Mark Partin. On December 25, 2014, we entered into an employment offer letter with Martin Partin, our Chief Financial Officer. This employment letter has no specific term and provides for at-will

employment. This employment offer letter provides for an initial annual base salary, an initial annual on-target bonus opportunity, and a commitment to grant him an initial option to purchase shares of our common stock, the material terms of such option are described in the "2015 Outstanding Equity Awards At Year-End" table above. This employment letter also provides for vesting acceleration and severance benefits.

On September 29, 2016, we entered into a confirmatory employment letter with Mr. Partin. The confirmatory employment letter has no specific term and provides for at-will employment. The confirmatory employment letter supersedes Mr. Partin's original employment offer letter. The vesting acceleration and severance benefits have been replaced by the Policy as described in the "Change of Control and Severance Policy" below. Mr. Partin's current annual base salary is $340,000 and Mr. Partin's current annual on-target bonus is 40% of his annual base salary.

Karole Morgan-Prager. On May 4, 2015, we entered into an employment offer letter with Karole Morgan-Prager, our Chief Legal Officer. This employment letter has no specific term and provides for at-will employment. This employment offer letter provides for an initial annual base salary, an initial annual on-target bonus opportunity, a signing bonus, relocation benefits, and a commitment to grant her an initial option to purchase shares of our common stock, the material terms of such option are described in the "2015 Outstanding Equity Awards At Year-End" table above. This employment letter also provides for vesting acceleration and severance benefits.

On September 29, 2016, we entered into a confirmatory employment letter with Ms. Morgan-Prager. The confirmatory employment letter has no specific term and provides for at-will employment. The confirmatory employment letter supersedes Ms. Morgan-Prager's original employment offer letter. The vesting acceleration and severance benefits have been replaced by the Policy as described in the "Change of Control and Severance Policy" below. Ms. Morgan-Prager's current annual base salary is $340,000 and Ms. Morgan-Prager's current annual on-target bonus is 40% of her annual base salary.

Change of Control and Severance Policy

Our board of directors approved the following change of control and severance benefits for our executive officers (including Mr. Partin and Ms. Morgan-Prager) and other key employees, other than Ms. Tucker, that are set forth in our Change of Control and Severance policy, or the Policy:

If we terminate an executive officer's employment other than for "cause," death or "disability" or such participant resigns for "good reason" during the period from the period beginning on a "change of control" (as such terms are defined in the Policy) and ending twelve months following a change of control (the "change of control period"), such executive officer will be eligible to receive the following severance benefits (less applicable tax withholdings):

- 100% of the executive officer's then-outstanding and unvested equity awards granted in connection with his or her hiring or promotion, as applicable, will become fully vested and exercisable and any applicable performance goals will be deemed achieved at 100% of target levels;
- A lump sum cash amount equal to six months of the executive officer's base salary in effect immediately prior to the termination (or if the termination is due to a resignation for good reason based on a material reduction in base salary, then the executive officer's annual base salary in effect immediately prior to such reduction) or the change of control, whichever is greater; and
- Payment or reimbursement of continued health coverage for the executive officer and the executive officer's eligible dependents under COBRA for a period of up to six months or a taxable lump sum payment in lieu of payment or reimbursement, as applicable.

If we terminate an executive officer's employment other than for "cause," death, or "disability" outside of the change of control period, such executive officer will be eligible to receive the following severance benefits (less applicable tax withholdings):

- A lump sum cash amount equal to six months of the executive officer's base salary in effect immediately prior to the termination; and
- Payment or reimbursement of continued health coverage for the executive officer and the executive officer's eligible dependents under COBRA for a period of up to six months or a taxable lump sum payment in lieu of payment or reimbursement, as applicable.

To receive the severance benefits upon a qualifying termination, an executive officer must sign and not revoke our standard separation agreement and release of claims within the timeframe set forth in the Policy. If any of the payments provided for under the Policy or otherwise payable to an executive officer would constitute "parachute payments" within the meaning of Section 280G of the Code and would be subject to the related excise tax under Section 4999 of the Code, then the executive officer will be entitled to receive either full payment of benefits or such lesser amount which would result in no portion of the benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to him or her. The Policy does not require us to provide any tax gross-up payments to any executive officer.

Employee Benefit and Stock Plans

2016 Equity Incentive Plan

Our board of directors adopted, and we expect our stockholders will approve, our 2016 Equity Incentive Plan, or the 2016 Plan, prior to the completion of this offering. Subject to stockholder approval, the 2016 Plan will be effective one business day prior to the effective date of the registration statement of which this prospectus forms a part and is not expected to be used until after the completion of this offering. Our 2016 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units, performance shares and performance awards to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

Authorized Shares. A total of 30,980,000 shares of our common stock have been reserved for issuance pursuant to the 2016 Plan, of which no awards are issued and outstanding. In addition, the shares reserved for issuance under our 2016 Plan also include shares subject to options or similar awards granted under our 2014 Plan that, after the termination of our 2014 Plan, expire or otherwise terminate without having been exercised or issued in full or are forfeited to us, tendered to or withheld by us for the payment of an exercise price or for tax withholding, or repurchased by us (provided that the maximum number of shares that may be added to the 2016 Plan is 33,900,000 shares).

The number of shares available for issuance under the 2016 Plan will also include an annual increase on the first day of each fiscal year beginning in 2017 and ending in 2026 (unless we terminate the 2016 Plan or this provision sooner), equal to the least of:

- 30,980,000 shares;
- 5% of the outstanding shares of common stock as of the last day of our immediately preceding year; or
- such other amount as our board of directors may determine.

In addition, if an option or stock appreciation right granted under the 2016 Plan expires or becomes unexercisable without having been exercised in full or is surrendered under an award exchange program, then unissued shares subject to the award will become available for future issuance under the 2016 Plan.

Only shares actually issued pursuant to a stock appreciation right (i.e., the net shares issued) will cease to be available under the 2016 Plan; all remaining shares originally subject to the stock appreciation right will remain available for future issuance. Shares issued pursuant to awards of restricted stock, restricted stock units, performance shares, performance units, and stock-settled performance awards that are reacquired by us due to failure to vest or are forfeited to us will become available for future issuance under the 2016 Plan. Shares used to pay the exercise price of an award or to satisfy tax withholding obligations related to an award will become available for future issuance under the 2016 Plan. If any portion of an award granted under the 2016 Plan is paid in cash rather than shares, that cash payment will not reduce the number of shares available for issuance under the 2016 Plan.

Plan Administration. Our compensation committee will administer our 2016 Plan. In the case of granting options intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the committee will consist of two or more "outside directors" within the meaning of Section 162(m).

Subject to the provisions of our 2016 Plan, the administrator will have the power to determine the terms of the awards, including the exercise price, the number of shares subject to each such award, the exercisability of the awards and the form of consideration, if any, payable upon exercise. The administrator also will have the authority to amend existing awards to reduce their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards with a higher or lower exercise price.

Stock Options. The exercise price of incentive stock options granted under our 2016 Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. Subject to the provisions of our 2016 Plan, the administrator will determine the term of all other options. The administrator will determine the methods of payment of the exercise price of an option, which may include, to the extent permitted by applicable law, cash, shares, or other property acceptable to the administrator, as well as other types of consideration, subject to the provisions of our 2016 Plan.

After the termination of service of an employee, director or consultant, he or she may exercise his or her option or stock appreciation right for the period of time stated in his or her award agreement. Generally under the form of stock option agreement under the 2016 Plan, if termination is due to death or disability, the option or stock appreciation right will remain exercisable for six months. In all other cases, the option or stock appreciation right will generally remain exercisable for 60 days following the termination of service. However, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights. Stock appreciation rights may be granted under our 2016 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Subject to the provisions of our 2016 Plan, the administrator will determine the terms of stock appreciation rights, including when such rights

become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

Restricted Stock. Restricted stock may be granted under our 2016 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted and may impose whatever conditions to vesting it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us). The administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Restricted Stock Units. Restricted stock units may be granted under our 2016 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. The administrator will determine the terms and conditions of restricted stock units, including the number of units granted, the vesting criteria (which may include accomplishing specified performance criteria or continued service to us), and the form and timing of payment. The administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Performance Units and Performance Shares. Performance units and performance shares may be granted under our 2016 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance units or performance shares. Earned performance units or performance shares may be paid in the form of cash, in shares, or in some combination thereof or determined by the administrator.

Performance Awards. Performance awards may be granted under our 2016 Plan. Performance awards are awards that may result in a payment to a participant based on to what extent performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of the performance award to be paid out to participants. After the grant of a performance award, the administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance award. Earned performance awards may be paid in the form of cash, in shares, or in some combination thereof, as determined by the administrator.

Non-Employee Directors. Our 2016 Plan provides that all non-employee directors will be eligible to receive all types of awards (except for incentive stock options) under the 2016 Plan. In order to provide a maximum limit on the awards that can be made to our non-employee directors, our 2016 Plan provides that in any given year, a non-employee director will not be granted awards under our 2016 Plan having a grant-date fair value greater than $500,000, but that in the fiscal year that an outside director first joins our board of directors, he or she may be granted an award under our 2016 Plan with a grant-date fair value of up to $1,000,000. The grant-date fair values will be determined according to GAAP. The maximum limits do not reflect the intended size of any potential grants or a commitment to make grants to our non-employee directors under our 2016 Plan in the future. See the section of this prospectus captioned “Management—Non-Employee Director Compensation.”

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2016 Plan generally does not allow for the transfer of awards, and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments. In the event of certain changes in our capitalization as set forth in our 2016 Plan, to prevent diminution or enlargement of the benefits or potential benefits available under our 2016 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2016 Plan and/or the number, class and price of shares covered by each outstanding award, and the numerical share limits set forth in our 2016 Plan.

Dissolution or Liquidation. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2016 Plan provides that in the event of a merger or change in control, as defined under our 2016 Plan, each outstanding award will be treated as the administrator determines. If the successor corporation does not continue an award (or some portion of an award), the participant will fully vest in (and have the right to exercise) 100% of the then-unvested shares subject to the participant's outstanding options and stock appreciation rights, all restrictions on 100% of the participant's outstanding restricted stock and restricted stock units will lapse, and all performance goals or other vesting criteria with regard to performance units, shares, and awards will deemed to be achieved at 100% as of immediately prior to the transaction. With respect to awards granted to an outside director that are continued under the terms of our 2016 Plan, if the service of that outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her stock options, RSUs, and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock will lapse and all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions met.

Forfeiture and clawback. All awards granted under our 2016 Plan will be subject to recoupment under any clawback policy that we are required to adopt under applicable law. In addition, the administrator may provide in an award agreement that the recipient's rights, payments, and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events. In the event of any accounting restatement, the recipient of an award will be required to repay a portion of the proceeds received in connection with the settlement of an award earned or accrued under certain circumstances.

Amendment; Termination. The administrator has the authority to amend, suspend, or terminate our 2016 Plan provided such action does not materially impair the existing rights of any participant, subject to certain exceptions in accordance with the terms of our 2016 Plan.

2014 Equity Incentive Plan

Our board of directors adopted and our stockholders approved our 2014 Plan, in March 2014, which was most recently amended in December 2015. Our 2014 Plan permits the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, and restricted stock units to our employees, directors, and consultants and our parent and subsidiary corporations' employees and consultants. As of immediately prior to the effectiveness of our 2016 Plan, the 2014 Plan will terminate and we will not grant any additional awards under the 2014 Plan. However, the 2014 Plan will continue to govern the terms and conditions of the outstanding awards previously granted thereunder.

Authorized Shares. The maximum aggregate number of shares issuable under the 2014 Plan was 37,007,310 shares of our common stock. As of June 30, 2016, options to purchase 29,570,809 shares of our common stock were outstanding under our 2014 Plan.

Plan Administration. The 2014 Plan is administered by our board of directors or a committee or committees appointed by our board of directors (referred to as the "administrator").

Subject to the provisions of the 2014 Plan, the administrator has the power to: (i) construe and interpret the 2014 Plan and the awards granted thereunder and to establish, amend, and revoke rules and regulations for administration of the 2014 Plan, (ii) settle all controversies regarding the 2014 Plan and awards granted thereunder, (iii) accelerate the time at which an award first vests or may be exercised, (iv) amend the 2014 Plan in any respect the administrator deems necessary or advisable, (v) exercise such powers and perform such acts as the administrator deems necessary or expedient to promote our best interests, and (vi) to effect, with the consent of any adversely affected participant, (a) the reduction of the exercise price of any outstanding option, (b) the cancellation of any outstanding option in substitution therefor of another equity award under another of our equity plans, cash, or other valuable consideration, or (c) any other action that is treated as a repricing under generally accepted accounting principles.

Stock Options. The administrator had the power to grant incentive and nonstatutory stock options under our 2014 Plan. The term of an option could not exceed ten years from the date of grant or such shorter term indicated in the stock option award agreement. The exercise price per share of stock options granted under the 2014 Plan had to equal at least 100% of the fair market value per share of our common stock on the date of grant, provided that an option could have been granted with an exercise price lower than 100% of the fair market value per share of our common stock on the date of grant if such option was granted pursuant to an assumption or substitution of another option pursuant to a change in control and in a manner compliant with applicable law.

Except as otherwise provided in the stock award agreement, in the event a participant's service terminates (other than for cause or the participant's death or disability), the participant may exercise his or her option, to the extent vested as of the date of such termination, for 60 days following the date of termination (or such longer or shorter period of time, as provided in the stock award agreement, provided that this period may not be less than 30 days). Generally, if termination is due to participant's disability or death (or, if specified in the stock option agreement, participant dies following termination and during a period of time set forth in the stock option agreement), the option will remain exercisable, to the extent vested as of the date of such termination, for 6 months or such longer period of time as specified in the option agreement.

Unless otherwise provided in the stock option agreement, if the exercise of an option following the termination of a participant's service (other than due to participant's death or disability) would be prohibited solely because the issuance of shares would violate the registration requirements under the Securities Act of 1933, as amended, then the participant may exercise his or her option for three months after the termination of participant's service during which the exercise of such option would not be in violation of such registration requirements. Further, unless otherwise provided in an option agreement, if the sale of shares received upon exercise of an option following the termination of a participant's service would violate our insider trading policy, then the option will terminate on the expiration of a period equal to the applicable post-termination exercise period after the termination of the participant's service during which the exercise of the option would not be in violation of our insider trading policy. However, in no event may an option be exercised later than the expiration of its term.

If a participant's service terminates for cause, then, except as explicitly provided otherwise in the applicable option agreement or other agreement between us and the participant, the option will

terminate upon the termination date of such service and the participant will be prohibited from exercising his or her option from and after the time of such termination of service.

Transferability of Awards. Our 2014 Plan generally provides that awards granted thereunder are not transferable except by will or the laws of descent and distribution and may be exercised by the award recipient during the award recipient's lifetime.

Certain Adjustments. In the event of certain changes in our capitalization, our board of directors will appropriately and proportionally adjust the classes and number of securities and price per share of shares subject to outstanding awards. In the event of our proposed dissolution or liquidation, all unvested awards will terminate immediately prior to the completion of such transaction.

Change in Control. Our 2014 Plan provides that in the event of a change in control (as defined in the 2014 Plan), unless otherwise provided in an individual award agreement, our board of directors may take one or more of the following actions: (i) arrange for the surviving or acquiring entity to assume, continue, or substitute for the award; (ii) accelerate the vesting, in whole or part, of the award, with such award terminating if not exercised prior to the effective time of the change in control; (iii) cancel the award in exchange for such cash consideration, if any, as our board may consider appropriate; or (iv) make a payment, in such form as may be determined by our board of directors, equal to the excess, if any, of (a) the value of the property the holder of the award would have received upon the exercise of the award over (b) any exercise price payable by such holder in connection with such exercise. The administrator is not obligated to treat all awards similarly in the transaction.

Amendment or Termination. Our board of directors may amend the 2014 Plan at any time. As noted above, in connection with this offering, the 2014 Plan will terminate and no further awards will be granted thereunder. All outstanding options will continue to be governed by their existing terms.

Employee Incentive Compensation Plan

Our compensation committee adopted an Employee Incentive Compensation Plan, which we refer to as our Bonus Plan. Our Bonus Plan will allow our compensation committee (or other such committee as determined by our board of directors) to provide cash incentive awards to selected employees of our company or our affiliates, including our named executive officers, based upon performance goals established by our compensation committee. Pursuant to the Bonus Plan, our compensation committee, in its sole discretion, will establish a target award for each participant and a bonus pool, with actual awards payable from such bonus pool, with respect to the applicable performance period.

Under the Bonus Plan, our compensation committee, in its sole discretion, will determine the performance goals applicable to awards, which goals may include, without limitation: annualized recurring revenue, attainment of research and development milestones, bookings, business divestitures and acquisitions, cash flow, cash position, contract awards or backlog, customer renewals, customer retention rates, earnings (which may include earnings before interest and taxes, earnings before taxes, and net taxes), earnings per share, expenses, free cash flow, gross margin, growth in stockholder value relative to the moving average of the S&P 500 Index or another index, internal rate of return, market share, net income, net profit, net sales, new product development, new product invention or innovation, number of customers, operating cash flow, operating expenses, operating income, operating margin, overhead or other expense reduction, product defect measures, product release timelines, productivity, profit, retained earnings, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales results, sales growth, stock price, time to market, total stockholder return, working capital and individual objectives such as peer reviews or other subjective or objective criteria. As determined by our compensation committee,

performance goals that include our financial results may be determined in accordance with GAAP, or such financial results may consist of non-GAAP financial measures and any actual results may be adjusted by our compensation committee for one-time items or unbudgeted or unexpected items and/or payments when determining whether the performance goals have been met. The goals may be on the basis of any factors our compensation committee determines relevant, and may be on an individual, divisional, business unit or company-wide basis. The performance goals may differ from participant to participant and from award to award.

Our compensation committee may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award, or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in our compensation committee's discretion. Our compensation committee may determine the amount of any reduction on the basis of such factors as it deems relevant, and it will not be required to establish any allocation or weighting with respect to the factors it considers.

Actual awards will be paid in cash (or its equivalent) in a single lump sum as soon as practicable after the end of the performance period during which they are earned and after they are approved by our compensation committee, but in no event later than the 15th day of the third month of the calendar year following the date the award has been earned. Unless otherwise determined by our compensation committee, to earn an actual award, a participant must be employed by us (or an affiliate of ours) through the date the bonus is paid.

Our board of directors and/or our compensation committee, in their sole discretion, may alter, suspend or terminate the Bonus Plan, provided such action does not, without the consent of the participant, alter or impair the rights or obligations under any award theretofore earned by such participant.

401(k) Plan

We maintain a tax-qualified retirement plan, or the 401(k) plan, that provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees are able to participate in the 401(k) plan as of the first day of the month following the date they meet the 401(k) plan's eligibility requirements, and participants are able to defer up to 100% of their eligible compensation subject to applicable annual Code limits. All participants' interests in their deferrals are 100% vested when contributed. The 401(k) plan permits us to make matching contributions and profit sharing contributions to eligible participants. In 2015, we paid discretionary matching contributions that vest over a 3-year period.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the completion of this offering, will contain provisions that limit the liability of our directors for monetary damages and that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by the Delaware General Corporation Law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and

- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we plan to enter into indemnification agreements with each of our current directors, officers, and certain employees before the completion of this offering. These agreements will provide indemnification for certain expenses and liabilities incurred in connection with any action, suit, proceeding, or alternative dispute resolution mechanism, or hearing, inquiry, or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent, or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, employee, agent, or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent, or fiduciary of another entity. In the case of an action or proceeding by, or in the right of, our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as we may provide indemnification for liabilities arising under the Securities Act to our directors, officers, and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2012 to which we have been a participant in which the amount involved exceeded or will exceed $120,000, and in which any of our then directors, executive officers or holders of more than 5% of any class of our common stock at the time of such transaction, or any members of their immediate family, had or will have a direct or indirect material interest.

Transactions in Connection with the Offering

In connection with the consummation of this offering, we will enter into the following agreements:

Stockholders' Agreement

Prior to the consummation of this offering, we will enter into an Amended and Restated Stockholders' Agreement with our Principal Stockholders, or the Stockholders' Agreement. The Stockholders' Agreement will contain specific rights, obligations and agreements of these parties as owners of our common stock. In addition, the Stockholders' Agreement will contain provisions related to the composition of our board of directors and its committees, which are discussed under "Management—Board Composition" and "Management—Board Committees."

Voting Agreement. Under the Stockholders' Agreement, our Principal Stockholders will agree to take all necessary action, including casting all votes to which such existing owners are entitled to cast at any annual or special meeting of stockholders, so as to ensure that the composition of our board of directors and its committees complies with (and includes all of the nominees in accordance with) the provisions of the Stockholders' Agreement related to the composition of our board of directors and its committees, which are discussed under "Management—Board Composition" and "Management—Board Committees."

Silver Lake Sumeru Approvals. Under the Stockholders' Agreement and subject to our certificate of incorporation and bylaws, as amended and restated in connection with this offering, and applicable law, for so long as the Principal Stockholders collectively own or hold of record, directly or indirectly, in the aggregate at least 40% of their collective "Post-IPO Shares" (as defined in the Stockholders' Agreement), as adjusted for any reorganization, recapitalization, stock dividend, stock split, reverse stock split or similar changes in the Company's capitalization, the following actions will require the approval of our Board, including the affirmative vote of at least two Silver Lake Sumeru Directors:

- any voluntary liquidation, winding up or dissolution or any action relating to a voluntary bankruptcy, reorganization or recapitalization of the Company or its subsidiaries;
- certain dispositions of assets with a value in excess of $50 million or entry into joint ventures requiring a capital contribution in excess of $50 million, in each case, by the Company or its subsidiaries;
- fundamental changes in the Company's or its subsidiaries' existing lines of business or the entry into a new significant line of business;
- any amendments to the Company's amended and restated certificate of incorporation and amended and restated bylaws;
- incurrence of indebtedness in excess of $150 million;
- appointment or termination of the Chief Executive Officer; and
- change of control transactions.

Transfer Restrictions. Under the Stockholders' Agreement, each of Iconiq, Ms. Tucker and Mr. Spanicciati will agree, subject to certain limited exceptions, not to transfer, sell, exchange, assign, pledge, hypothecate, convey or otherwise dispose of or encumber any shares of our common stock

without the consent of Silver Lake Sumeru until the earlier of (i) two years following the completion of this offering and (ii) Silver Lake Sumeru's reduction of its holdings of common stock following this offering by 50%; provided, however, that Ms. Tucker and Mr. Spanicciati will each have the right to sell a number of shares equal to up to 1% of the total outstanding shares of our common stock annually pursuant to Rule 144 of the Securities Act.

Drag Along Right. For so long as Silver Lake Sumeru holds greater than 10% of our common stock then outstanding, if Silver Lake Sumeru approves a change of control transaction, each of Iconiq, Ms. Tucker and Mr. Spanicciati will be required to vote in favor of and not oppose such transaction and, if structured as a sale of shares, sell its shares to a prospective buyer on the same terms that are applicable to Silver Lake Sumeru.

Registration Rights Agreement

Prior to the consummation of this offering, we will enter into an amended and restated registration rights agreement with the Principal Stockholders pursuant to which such holders will be entitled to rights with respect to the registration of their shares under the Securities Act. We will pay the registration expenses (other than underwriting discounts and commissions and stock transfer taxes) of the holders of the shares registered pursuant to the registrations described below.

At the completion of this offering, Silver Lake Sumeru will be entitled to certain S-1 and S-3 registration rights on one or more occasions. Beginning one year following the completion of this offering, Iconiq will be entitled to certain S-3 registration rights on one or more occasions. Beginning two years following the completion of this offering, Ms. Tucker and Mr. Spanicciati will also be entitled to certain S-3 registration rights on one or more occasions. In addition, if we or a Principal Stockholder proposes to register the offer and sale of our capital stock under the Securities Act, the other Principal Stockholders will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations set forth in the registration rights agreement.

The registration rights described above apply to (i) shares of our common stock held by our Principal Stockholders and their respective affiliates, and (ii) any of our capital stock (or that of our subsidiaries) issued or issuable with respect to the common stock described in clause (i) with respect to any dividend, distribution, recapitalization, reorganization, or certain other corporate transactions ("Registrable Securities"). These registration rights are also for the benefit of any subsequent holder of Registrable Securities; provided that any particular securities will cease to be Registrable Securities when they have been sold in a registered public offering, sold in compliance with Rule 144 of the Securities Act or repurchased by us or our subsidiaries. In addition, with the consent of the company and holders of a majority of Registrable Securities, any Registrable Securities held by a person other than Silver Lake Sumeru and its affiliates will cease to be Registrable Securities if they can be sold without limitation under Rule 144 of the Securities Act.

Acquisition of BlackLine Systems, Inc.

On September 3, 2013, we acquired BlackLine Systems, Inc. and our Investors obtained a controlling interest in us. In connection with the Acquisition, we issued and sold an aggregate of 141,325,000 shares of our common stock to our Investors at $1.00 per share, for aggregate gross cash proceeds of $141,325,000. We sold an additional 2,225,000 shares to two investors at $1.00 per share, for aggregate gross cash proceeds of $2,225,000 and issued an aggregate of 56,450,000 shares of our common stock to sixteen stockholders in exchange for all the issued and outstanding shares of BlackLine Systems, Inc.

Additionally, in connection with the consummation of the Acquisition, we entered into a number of agreements that are described below. With respect to a number of the agreements, the approximate dollar value of the related person's interest in the particular agreement is not determinable. The agreements are described below because they are part of a series of transactions entered into between us and our Investors and our founders and their respective affiliates. In connection with the consummation of our acquisition by our Investors, we entered into the following agreements:

Stockholders Agreement

On September 3, 2013, we entered into a stockholders agreement with certain holders of our common stock, including our Principal Stockholders. The stockholders agreement contains certain nomination rights to designate candidates for nomination to our board of directors, to appoint members to each board committee and requires that the Company obtain the consent of Silver Lake Sumeru before taking certain actions. The stockholders agreement also contains agreements among the parties, including transfer restrictions, tag-along rights, drag-along rights and rights of first refusal. This agreement will be amended and restated upon completion of this offering as described above under "—Transactions in Connection with the Offering—Stockholders' Agreement".

Registration Rights Agreement

On September 3, 2013, we entered into a registration rights agreement with certain holders of our common stock, including our Principal Stockholders, which will be amended and restated in connection with the completion of this offering as described above under "—Transactions in Connection with the Offering—Registration Rights Agreement". Pursuant to the registration rights agreement we have agreed to register the sale of these shares of our common stock under certain circumstances.

Merger Agreement

On September 3, 2013, we entered into a merger agreement with certain holders of our common stock, including our Principal Stockholders. Pursuant to the terms of the merger agreement, our optionholders were allowed to cancel their stock option rights and receive a cash payment equal to the amount of calculated gain (less applicable expense and other items) had they exercised their stock options and then sold their common shares as part of the Acquisition. As a condition of the Acquisition, we are required to pay additional cash consideration to certain equity holders, including Ms. Tucker, Mr. Spanicciati and Mr. Unterman, if we realize a tax benefit from the use of net operating losses generated from the stock option exercises concurrent with the Acquisition. This agreement will survive after the completion of this offering. The maximum contingent cash consideration to be distributed is $8.0 million.

Contribution and Exchange Agreements

In connection with the Acquisition, we entered into Contribution and Exchange Agreements pursuant to which we issued shares of our common stock in exchange for all of the issued and outstanding shares of common stock of BlackLine Systems, Inc., which shares were cancelled as of September 3, 2013.

Restrictive Covenant Agreements

On August 8, 2013, we entered into a restrictive covenant agreement with Ms. Tucker, and on August 9, 2013, we entered into a restrictive covenant agreement with Mr. Spanicciati, pursuant to which each of Ms. Tucker and Mr. Spanicciati agreed to refrain from engaging or having any interest in any business or person that competes with our business or soliciting any of our service providers to terminate or reduce their relationship with us. Each of the restrictive covenant agreements will expire in September 2018.

Notes with Related Parties

Thomas Unterman Loans

On October 16, 2012, we entered into a promissory note with Mr. Unterman in the principal amount of $150,000, having a five year term and bearing an interest rate of 2.28% per annum. On January 21, 2013, we entered into a promissory note with Mr. Unterman in the principal amount of $50,000, having a five year term and bearing interest of 2.29% per annum. On April 3, 2013, we entered into a promissory note with Mr. Unterman in the principal amount of $232,500 having a five year term and bearing an interest rate of 2.29% per annum. Mr. Unterman executed these notes in connection with the exercise of his stock options. The outstanding principal and interest on each of the notes was settled in full upon consummation of the Acquisition.

Mario Spanicciati Loan

On June 12, 2012, we entered into a promissory note with Mr. Spanicciati in the principal amount of $50,000, having a five year term and bearing an interest rate of 2.64% per annum. Mr. Spanicciati executed this note in connection with the exercise of his stock options. The outstanding principal and interest on the note was fully paid upon consummation of the Acquisition.

Therese Tucker Promissory Note

On May 17, 2004, we entered into a promissory note in favor of Ms. Tucker in the principal amount of $1.0 million and bearing an interest rate per annum of 1% over the prime rate. We repaid the outstanding principal and related interest on this note on September 3, 2013 in connection with the Acquisition.

Silver Lake Sumeru Unsecured Subordinated Promissory Notes

On September 3, 2013 we entered into convertible subordinated promissory notes with Silver Lake Sumeru for an aggregate principal amount of $20,000,000 and bearing an interest rate of 0.25%. We repaid the outstanding principal and related interest on these notes in September 2013.

Stock Subscription Agreement

On October 21, 2014, we entered into a stock subscription agreement with Iconiq pursuant to which we issued 1,785,714 shares of our common stock to Iconiq at $2.80 per share, for aggregate gross cash proceeds of $5,000,000.

Employment Arrangement

Isaac Tucker, who is the son of Therese Tucker, our Chief Executive Officer, has been employed by us since 2006 and currently serves as Vice President of Product Management. His 2013, 2014 and 2015 total compensation, which is comprised of a base salary, bonus, equity and commissions, as applicable, was $190,916, $424,436, and $282,920, respectively, and was in line with similar roles at the company.

Legal Services Reimbursement

As of December 31, 2015, we accrued for costs of third party legal services incurred on behalf of Silver Lake Sumeru, Iconiq and Mr. Spanicciati relating to our proposed initial public offering and other corporate related matters. Total amounts accrued at December 31, 2015 were $161,000, of which $84,000 were expensed during 2015 and $77,000 were included in other assets as deferred offering costs.

Indemnification of Officers and Directors

See “Executive Compensation—Limitation of Liability and Indemnification Matters.”

Certain Relationships

From time to time, we do business with other companies affiliated with our Investors. We believe that all such arrangements have been entered into in the ordinary course of business and have been conducted on an arms-length basis.

Policies and Procedures for Related Party Transactions

Our audit committee charter will be effective when we complete this offering. The charter states that our audit committee is responsible for reviewing and approving any related party transaction. All of our directors, officers and employees are required to report to the audit committee prior to entering into any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we are to be a participant, the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees or indebtedness and employment by us of a related person. Our full board of directors has reviewed and approved our related party transactions.

We believe that we have executed all the transactions described above on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and Principal Stockholders and their affiliates, are approved by the audit committee of our board of directors, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our common stock as of August 31, 2016, and as adjusted to reflect the shares of common stock to be issued and sold in the offering assuming no exercise of the underwriters' option to purchase additional shares from us in the offering, by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all executive officers and directors as a group.

Applicable percentage ownership is based on 204,139,680 shares of our common stock outstanding at August 31, 2016. Shares of common stock subject to options currently exercisable or exercisable within 60 days of August 31, 2016 are deemed to be outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage of beneficial ownership of that person and any group of which that person is a member, but are not deemed outstanding for the purpose of computing the percentage of beneficial ownership for any other person.

Unless otherwise indicated in the footnotes below, each stockholder named in the following table possesses sole voting and investment power over the shares listed. The information does not necessarily indicate beneficial ownership for any other purpose. Unless otherwise noted below, the address of each person listed on the table is c/o BlackLine, Inc., 21300 Victory Boulevard, 12th Floor, Woodland Hills, CA 91367.

	Shares Beneficially Owned Prior to the Offering		Shares Beneficially Owned After the Offering	
Name and Address of Beneficial Owner	Shares	Percentage	Shares	Percentage
5% Stockholders:				
Funds affiliated with Silver Lake Sumeru(1)	95,967,857	47.0%		
Funds affiliated with ICONIQ(2)	47,142,857	23.1%		
Named Executive Officers and Directors:				
Jason Babcoke(3)	—	—		
John Brennan(4)	—	—		
William Griffith(5)	—	—		
Hollie Haynes(6)	—	—		
Karole Morgan-Prager(7)	250,000	*		
Chris Murphy(8)	1,250,000	*		
Mark Partin(9)	700,221	*		
Graham Smith(10)	125,000	*		
Mario Spanicciati	22,125,000	10.8%		
Therese Tucker	31,860,000	15.6%		
Thomas Unterman(11)	750,000	*		
All Directors and Executive Officers as a Group (11 Persons)	57,060,221	27.6%		

(*) Represents beneficial ownership of less than 1%.

(1) Includes 95,118,445 shares held by Silver Lake Sumeru Fund, L.P. ("SLS"), a Delaware limited partnership, and 849,412 shares held by Silver Lake Technology Investors Sumeru, L.P. ("SLTI"), a Delaware limited partnership (collectively, the "Silver Lake Sumeru Shares"). Silver Lake

Technology Associates Sumeru, L.P. (the "Lower GP"), a Delaware limited partnership, is the general partner of each of SLS and SLTI. SLTA Sumeru (GP), L.L.C. (the "Upper GP"), a Delaware limited liability company, is the general partner of the Lower GP. Silver Lake Group, L.L.C. ("SLG"), a Delaware limited liability company, is the managing member of the Upper GP. The managing members of SLG are Michael Bingle, James Davidson, Egon Durban, Kenneth Hao and Greg Mondre (collectively, the "Managing Members"). The address for Messrs. Bingle and Mondre is c/o Silver Lake, 9 West 57th Street, 32nd Floor, New York, NY 10019. The address for Messrs. Davidson, Durban and Hao, SLS, SLTI, the Lower GP, the Upper GP and SLG is c/o Silver Lake, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

(2) Includes 28,537,626 shares held by ICONIQ Strategic Partners, L.P. ("ICONIQ"), 7,162,374 shares held by ICONIQ Strategic Partners-B, L.P. ("ICONIQ B"), 10,000,000 shares held by ICONIQ Strategic Partners Co-Invest, L.P., BL Series ("ICONIQ BL") and 1,442,857 shares held by ICONIQ Strategic Partners Co-Invest, L.P., BL 2 Series ("ICONIQ BL2") (collectively, the "ICONIQ Shares"). Iconiq Strategic Partners GP, L.P. (the "ICONIQ GP"), is the general partner of each of ICONIQ, ICONIQ B, ICONIQ BL and ICONIQ BL2. ICONIQ Strategic Partners TT GP, Ltd. (the "ICONIQ Parent GP") is the general partner of the ICONIQ GP. Divesh Makan and William Griffith (collectively, the "Managing Holders") are the sole equity holders and directors of the ICONIQ Parent GP. The addresses of each of the entities and individuals listed in this footnote are c/o ICONIQ Strategic Partners, 394 Pacific Avenue, 2nd Floor, San Francisco, CA 94111.

(3) Mr. Babcoke, who is one of our directors, is a Principal of Silver Lake Sumeru. Mr. Babcoke has no voting or investment power over the Silver Lake Sumeru Shares. The address for Mr. Babcoke is c/o Silver Lake Sumeru, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

(4) Mr. Brennan, who is one of our directors, is a Managing Director of Silver Lake Sumeru. Mr. Brennan has no voting or investment power over the Silver Lake Sumeru Shares. The address for Mr. Brennan is c/o Silver Lake Sumeru, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

(5) Mr. Griffith, who is one of our directors, is an equity holder and director of ICONIQ Parent GP. Mr. Griffith has voting and investment power over the ICONIQ Shares as described above in note 2. The address for Mr. Griffith is c/o ICONIQ Strategic Partners, 394 Pacific Avenue, 2nd Floor, San Francisco, CA 94111.

(6) Ms. Haynes, who is one of our directors, is a Managing Director of Silver Lake Sumeru. Ms. Haynes has no voting or investment power over the Silver Lake Sumeru Shares. The address for Ms. Haynes is c/o Silver Lake Sumeru, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

(7) Includes 250,000 shares of common stock issuable upon the exercise of outstanding stock options exercisable within 60 days of August 31, 2016.

(8) Includes 1,250,000 shares of common stock issuable upon the exercise of outstanding stock options exercisable within 60 days of August 31, 2016.

(9) Includes 700,221 shares of common stock issuable upon the exercise of outstanding stock options exercisable within 60 days of August 31, 2016.

(10) Includes 125,000 shares of common stock issuable upon the exercise of outstanding stock options exercisable within 60 days of August 31, 2016.

(11) Includes 500,000 shares of common stock held by ETU Rustic Canyon Trust of which Mr. Unterman is the trustee and includes 250,000 shares of common stock issuable upon the exercise of outstanding stock options exercisable within 60 days of August 31, 2016.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the material terms of our capital stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of our capital stock, you should refer to our amended and restated certificate of incorporation and our amended and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the provisions of applicable Delaware law.

Immediately following the closing of this offering, our authorized capital stock will consist of shares of common stock, $0.01 par value and shares of preferred stock, $0.01 par value. As of June 30, 2016, there were 203,655,411 shares of our common stock issued and outstanding held of record by 84 stockholders.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our amended and restated certificate of incorporation and bylaws, our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities.

Rights and Preferences

Holders of shares of common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of shares of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Preferred Stock

No shares of our preferred stock are currently outstanding. Under our amended and restated certificate of incorporation, our board of directors, without further action by our stockholders, is authorized to issue shares of preferred stock in one or more classes or series. The board may fix or alter the rights, preferences and privileges of the preferred stock, along with any limitations or restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of each class or series of preferred stock. The preferred stock could have voting or conversion rights that could adversely affect the voting power or other rights of holders of our common stock. The issuance of preferred stock could also have the effect, under certain circumstances, of delaying, deferring or preventing a change of control of our company. We currently have no plans to issue any shares of preferred stock.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws will contain certain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate more favorable terms with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us.

Classified Board

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Our amended and restated certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances and the Stockholders' Agreement, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board. Upon completion of this offering, we expect that our board of directors will have eight members.

Stockholder Action by Written Consent

Our amended and restated certificate of incorporation will preclude stockholder action by written consent at any time when the Principal Stockholders beneficially own, in the aggregate, less than 35% of the total number of shares of our common stock then outstanding.

Special Meetings of Stockholders

Our amended and restated certificate of incorporation will provide that, except as required by law, special meetings of our stockholders may be called at any time only by or at the direction of our board or the chairman of our board; provided, however, at any time when the Principal Stockholders own, in the aggregate, at least 35% in voting power of our stock entitled to vote generally in the election of directors, special meetings of our stockholders will also be called by our board or the chairman of our board at the request of Silver Lake Sumeru or Ms. Tucker. Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of the company.

Advance Notice Procedures

Our amended and restated bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board; provided, however, such advance notice procedures will not apply to a Principal Stockholder at any time when such Principal Stockholder beneficially owns at least 10% of the total number of shares of our common stock then outstanding. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the amended and restated bylaws will not give our board the power to approve or disapprove stockholder nominations of candidates or proposals regarding other

business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

Removal of Directors; Vacancies

Our amended and restated certificate of incorporation will provide that directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote thereon, voting together as a single class; provided, however, at any time when the Principal Stockholders beneficially own, in the aggregate, less than 40% of the voting power of our stock entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least 66 2/3% in voting power of our stock entitled to vote thereon, voting together as a single class. In connection with votes for removal, the parties to the Stockholders' Agreement will agree to vote their shares in accordance with the board composition requirements in such agreement and the wishes of the party which designated a director regarding removal of such director. Any newly created directorships that result in a vacancy on the board will be filled by Silver Lake Sumeru if Silver Lake Sumeru is entitled to fill the vacancy pursuant to the Stockholders' Agreement. In the event that Silver Lake Sumeru is not entitled to, or chooses not to, fill the vacancy, then such vacancy may only be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders). In addition, in the event that Ms. Tucker or Mr. Spanicciati ceases to be employed by the company for any reason and she or he beneficially owns less than 5% of the total number of shares of our common stock outstanding, (i) she or he will be required to immediately tender her or his resignation from the Board effective only upon acceptance by the Board and (ii) the Board may, in its sole discretion, accept or reject such resignation. If the Board rejects the resignation, Ms. Tucker or Mr. Spanicciati, as applicable, will continue to have the right to be designated for membership on the Board; provided that the Board will have the right, by unanimous vote of the other directors (excluding both Ms. Tucker and Mr. Spanicciati), to require such director's resignation from the Board if the Board determines such resignation would be in the best interests of the company, regardless of the number of shares of common stock held by Ms. Tucker or Mr. Spanicciati.

Supermajority Approval Requirements

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that our board is expressly authorized to make, alter, amend and rescind, in whole or in part, our bylaws without a stockholder vote in any matter not inconsistent with the laws of the State of Delaware and our certificate of incorporation. For as long as the Principal Stockholders beneficially own, in the aggregate, at least 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of 60% of the voting power of all the then outstanding shares of our stock entitled to vote thereon, voting together as a single class. At any time when the Principal Stockholders beneficially own, in the aggregate, less than 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws by our stockholders will require the affirmative vote of the holders of at least 75% voting power of all the then outstanding shares of our stock entitled to vote thereon, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our certificate of incorporation will provide that (i) at any time when the Principal Stockholders collectively beneficially own, in the aggregate, at least 40% in voting power of our stock entitled to vote generally in the election of directors, the amended and restated certificate of incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 60% of the voting power of our stock entitled to vote thereon, voting together as a single class, and (ii) at any time when the Principal Stockholders beneficially own, in the aggregate, less than 40% in voting power of our stock entitled to vote generally in the election of directors, the following provisions in our amended and restated certificate of incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of our stock entitled to vote thereon, voting together as a single class:

- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding resignation and removal of directors;
- the provisions regarding competition and corporate opportunity;
- the provisions regarding entering into business combinations with interested stockholders;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding filling vacancies on our board and newly created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director; and
- the amendment provision requiring that the above provisions be amended only with a 75% supermajority vote.

The combination of the classification of our board, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing stockholders to replace our board as well as for another party to obtain control of us by replacing our board. Because our board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval, subject to stock exchange rules. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. One of the effects of the existence of authorized but unissued common stock or preferred stock may be to enable our board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Business Combinations

Upon completion of this offering, we will not be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that the person becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger, asset or stock sale or other

transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation’s voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: (1) before the stockholder became an interested stockholder, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; (2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or (3) at or after the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares.

We have opted out of Section 203; however, our amended and restated certificate of incorporation will contain similar provisions providing that we may not engage in certain “business combinations” with any “interested stockholder” for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board and by the affirmative vote of holders of at least 66 2/3% of our outstanding voting stock that is not owned by the interested stockholder.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with the company for a three-year period. This provision may encourage companies interested in acquiring the company to negotiate in advance with our board because the stockholder approval requirement would be avoided if our board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Our certificate of incorporation will provide that Silver Lake Sumeru, Iconiq and Ms. Tucker, and certain transferees who, following the transfer, will beneficially own at least 15% of the total number of shares of our common stock then outstanding, and any of their respective affiliates or successors or any group as to which such persons are a party, do not constitute “interested stockholders” for purposes of this provision.

Exclusive Forum

Our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against the company or any director or officer of the company arising pursuant to any provision of the DGCL, or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having jurisdiction over indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and restated certificate of incorporation will, to the maximum extent permitted from time to time by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to certain of our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our certificate of incorporation will provide that, to the fullest extent permitted by law, none of Silver Lake Sumeru or Iconiq, their respective affiliates or the directors they designate will have any duty to refrain from (1) engaging in a corporate or business opportunity or offer a prospective economic or competitive advantage in which we, or any of our affiliates, directly could have an interest of expectancy, (2) otherwise competing with us or our affiliates, (3) otherwise doing business with any potential or actual customer or supplier of ours or our affiliates or (4) otherwise employing or engaging any officer or employee or any of our affiliates. In addition, to the fullest extent permitted by law, in the event that Silver Lake Sumeru or Iconiq, their respective affiliates or the directors they designate acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, herself or himself or its or his affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our amended and restated certificate of incorporation will not renounce our interest in any business opportunity that is expressly offered to Silver Lake Sumeru, Iconiq, their respective affiliates or the directors they designate solely in his or her capacity as a director or officer of the company. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our amended and restated certificate of incorporation, we have sufficient financial resources to undertake the opportunity, the opportunity would be in line with our business, and the opportunity is one in which we have an interest or reasonable expectancy.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation will include a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not

permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our amended and restated bylaws will provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also will be expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that will be included in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (718) 921-8206.

Listing

We have applied to list our common stock for quotation on the NASDAQ Global Select Stock Market under the trading symbol "BL".

SHARES ELIGIBLE FOR FUTURE SALE

No public market currently exists for our common stock, and we cannot predict the effect, if any, that sales of shares or availability of any shares for sale will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of common stock (including shares issued on the exercise of options, warrants or convertible securities, if any) or the perception that such sales could occur, could adversely affect the market price of our common stock and our ability to raise additional capital through a future sale of securities.

Upon completion of this offering, we will have shares of common stock issued and outstanding. All of the shares of our common stock offered by us pursuant to this prospectus will be freely tradable without restriction or further registration under the Securities Act unless such shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act. Upon completion of this offering, approximately % of our outstanding common stock will be held by our Principal Stockholders. These shares will be "restricted securities" as that phrase is defined in Rule 144. Subject to certain contractual restrictions, including the lock-up agreements described below, holders of restricted shares will be entitled to sell those shares in the public market if they qualify for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act. Subject to the lock-up agreements described below and the provisions of Rules 144 and 701, additional shares will be available for sale as set forth below. Upon completion of this offering, investors holding an aggregate of shares of common stock, assuming exercise in full of the underwriters' option to purchase additional shares, have registration rights.

Lock-up Agreements

In connection with this offering, we and holders of substantially all of our common stock have agreed, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for our common stock for 180 days after the date of this prospectus without the prior written consent of Goldman, Sachs & Co. and J.P. Morgan Securities LLC on behalf of the underwriters. In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain of our security holders, including our registration rights agreement and our standard forms of option agreements under our equity incentive plans, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any shares of our common stock that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our common stock by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year. Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or

- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701.

As of June 30, 2016, 1,704,697 shares of our outstanding common stock had been issued in reliance on Rule 701 as a result of exercises of stock options and stock awards.

Stock Options

We intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of our common stock subject to options outstanding or reserved for issuance under our stock plans and shares of our common stock issued upon the exercise of options by employees. We expect to file this registration statement as soon as practicable after this offering. In addition, we intend to file a registration statement on Form S-8 or such other form as may be required under the Securities Act for the resale of shares of our common stock issued upon the exercise of options that were not granted under Rule 701. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 will be subject to volume limitations, manner of sale, notice and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up agreements and market standoff agreements to which they are subject.

Registration Rights

When this offering is complete, the holders of an aggregate of shares of our common stock, or their transferees, will be entitled to rights with respect to the registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration. For a further description of these rights, see “Certain Relationships and Related Party Transactions—Registration Rights.”

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock to non-U.S. holders issued pursuant to this offering, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax consequences arising under the laws of any non-U.S., state or local jurisdiction or other U.S. federal laws, including gift and estate tax laws. In addition, this discussion does not address tax consequences applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax or the Medicare tax on net investment income;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our common stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons who do not hold our stock as a capital asset within the meaning of Section 1221 of the Code; and
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors regarding the federal income tax consequences to them.

YOU ARE URGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder (other than a partnership) if you are a beneficial holder of our common stock that, for U.S. federal income tax purposes, is not a U.S. person. For purposes of this discussion, you are a U.S. person if you are:

- an individual citizen or resident of the United States for U.S. tax purposes;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof or treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "United States persons" (within the meaning of Section 7701(a)(30)) who have the authority to control all substantial decisions of the trust or (y) which has made an election to be treated as a United States person for U.S. federal income tax purposes.

Distributions

We have not made any distributions on our common stock, and we do not plan to make any distributions for the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and any excess will be treated as gain from the sale of stock as described below under "—Gain on Disposition of Stock."

Subject to the discussion below on effectively connected income, any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with a valid IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. A non-U.S. holder of shares of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business, and, if required by a tax treaty, are attributable to a permanent establishment that you maintain in the United States, are generally exempt from the withholding tax described above. In order to obtain this exemption, you must provide the applicable paying agent with a valid IRS Form W-8ECI or other appropriate IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

For additional withholding rules that may apply to dividends paid to "foreign financial institutions" or to "non-financial foreign entities" (as specifically defined in the Code) that have substantial direct or indirect U.S. owners, see the discussion below under the heading "—Foreign Account Tax Compliance Act (FATCA)."

Gain on Disposition of Common Stock

Subject to discussions below regarding backup withholding and FATCA, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business, and, if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the United States;
- you are an individual non-resident alien who is present in the United States for a period or periods aggregating 183 days or more during the taxable year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes.

We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and other business assets, there can be no assurance that we are not a USRPHC or will not become a USRPHC in the future. Even if we are or were to become a USRPHC, however, as long as our common stock is "regularly traded" (as defined by applicable Treasury Regulations) on an established securities market, such common stock will be treated as USRPIs only if you actually or constructively hold more than five percent of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock. You should consult any applicable tax treaties that may provide for different rules.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the net gain derived from the sale at the same graduated rates applicable to U.S. persons, and corporate non-U.S. holders described in the first bullet above may be subject to the branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which tax may be offset by U.S. source capital losses (even though you are not considered a resident of the United States), provided you have timely filed U.S. federal income tax returns with respect to such losses. You should consult any applicable tax treaties that may provide for different rules.

For additional withholding rules that may apply to gross proceeds from the sale or other disposition of our common stock paid to "foreign financial institutions" or to "non-financial foreign entities" (as specifically defined in the Code) that have substantial direct or indirect U.S. owners, see the discussion below under the heading "—Foreign Account Tax Compliance Act (FATCA)."

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report is sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained, provided that the required information is furnished to the IRS in a timely manner.

Foreign Account Tax Compliance Act (FATCA)

Under Sections 1471 to 1474 of the Code (such Sections commonly referred to as FATCA), a U.S. federal withholding tax of 30% may be imposed on dividends on and the gross proceeds from a disposition of our common stock to a “foreign financial institution” (as specifically defined in the Code) unless such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. A U.S. federal withholding tax of 30% under FATCA generally applies to dividends on and the gross proceeds from a disposition of our stock to a “non-financial foreign entity” (as specifically defined under the Code) unless such entity provides the withholding agent with either a certification that it does not have any “substantial United States owners” (as defined in the Code) or provides information regarding each substantial United States owner of the entity or otherwise establishes an exception. The withholding provisions described above apply to payments of dividends on our stock and, under current transition rules, are expected to apply with respect to payments of gross proceeds from a sale or other disposition of such common stock on or after January 1, 2019. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. You should consult your tax advisors regarding these withholding provisions.

The preceding discussion of U.S. federal tax consequences is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

The company and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and J.P. Morgan Securities LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
J.P. Morgan Securities LLC	
Pacific Crest Securities, a division of KeyBanc Capital Markets Inc.	
Raymond James & Associates, Inc.	
William Blair & Company, L.L.C.	
Robert W. Baird & Co. Incorporated	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from the company to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The company and its officers, directors, and holders of substantially all of the company's common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price will be negotiated among the company and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the company's historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on , in the over-the-counter market or otherwise.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore

(the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

The company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for the reasonable fees and disbursements of their counsel relating to clearance of this offering with FINRA, which we do not expect to exceed $30,000.

The company has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, and for the underwriters by Latham & Watkins LLP, Los Angeles, California. Wilson Sonsini Goodrich & Rosati, P.C. and certain of its members are associated with WS Investment Company, LLC (2007A), which is an investor in certain investment funds affiliated with Silver Lake Sumeru. Upon the consummation of the offering, WS Investment Company (2007A) will directly or indirectly own less than 0.03% of the outstanding shares of our common stock.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On November 24, 2014, we dismissed Moss Adams LLP as our independent accountants with the recommendation and approval of our audit committee. We engaged PricewaterhouseCoopers LLP, or PwC, as our independent registered public accounting firm on November 24, 2014 to audit our financial statements as of December 31, 2014 and for the year then ending. Subsequent to their appointment, we engaged PwC to reaudit our consolidated financial statements as of December 31, 2013 for the period from January 1, 2013 to September 2, 2013 and for the period from September 3, 2013 to December 31, 2013.

The reports of Moss Adams LLP on our consolidated financial statements did not contain any adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2012 and 2013 and through November 24, 2014, Moss Adams LLP did not have any disagreement with us on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Moss Adams LLP, would have caused it to make reference to the subject matter of the disagreement in connection with its report on our financial statements.

We did not consult with PwC on any financial or accounting reporting matters in the period before its appointment.

We delivered a copy of this disclosure to Moss Adams LLP and requested that they furnish us a letter addressed to the SEC stating whether they agree with the above statements. In their letter to the SEC dated February 8, 2016, attached as Exhibit 16.1 to the Registration Statement of which this prospectus is a part, Moss Adams LLP states that they agree with the statements above concerning their firm.

EXPERTS

The financial statements of BlackLine, Inc. as of December 31, 2014 and 2015 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from that office at prescribed rates. You may obtain information on the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference room and accessible through the SEC's Internet website referenced above. We also maintain an Internet website at www.blackline.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus or the registration statement of which this prospectus forms a part, and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase shares of our common stock.

BLACKLINE, INC.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

Index to Audited Consolidated Financial Statements of BlackLine, Inc. as of December 31, 2014 and 2015 and for the Years Ended December 31, 2014 and 2015

Index to Supplemental Schedule—Schedule I—Condensed Parent Company Financial Information of BlackLine, Inc. as of December 31, 2014 and 2015 and for the Years Ended December 31, 2014 and 2015

Index to Unaudited Condensed Consolidated Financial Statements of BlackLine, Inc. as of June 30, 2016 and for the Six Months Ended June 30, 2015 and 2016

Report of Independent Registered Public Accounting Firm

To the board of directors and stockholders of BlackLine, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and cash flows present fairly, in all material respects, the financial position of BlackLine, Inc. and its subsidiaries at December 31, 2014 and 2015, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the accompanying financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
March 24, 2016

BLACKLINE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except shares and par values)

	December 31, 2014	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,707	$ 15,205
Accounts receivable, net of allowance for doubtful accounts of $77 and $168 at December 31, 2014 and 2015, respectively	18,040	24,235
Deferred sales commissions	1,903	6,246
Prepaid expenses and other current assets	2,294	2,801
Total current assets	47,944	48,487
Capitalized software development costs, net	1,576	2,967
Property and equipment, net	3,279	12,419
Intangible assets, net	68,920	56,828
Goodwill	163,154	163,154
Other assets	677	2,895
Total assets	$ 285,550	$ 286,750
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,171	$ 4,648
Accrued expenses and other current liabilities	7,362	15,012
Deferred revenue	34,574	52,750
Short-term portion of contingent consideration	2,008	2,008
Total current liabilities	47,115	74,418
Term loan, net	25,673	28,267
Common stock warrant liability	5,080	5,500
Contingent consideration	2,818	2,859
Deferred tax liabilities	19,848	5,907
Other long-term liabilities	1,069	3,631
Total liabilities	101,603	120,582
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 202,185,714 issued and 201,960,714 outstanding as of December 31, 2014, 203,601,640 issued and 203,366,640 outstanding as of December 31, 2015	2,022	2,036
Treasury stock, 225,000 shares at cost at December 31, 2014 and 235,000 shares at cost at December 31, 2015	(225)	(254)
Additional paid-in capital	205,572	212,542
Accumulated deficit	(23,422)	(48,156)
Total stockholders' equity	183,947	166,168
Total liabilities and stockholders' equity	$ 285,550	$ 286,750

The accompanying notes are an integral part of these consolidated financial statements

BLACKLINE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2014	2015
Revenues		
Subscription and support	$ 49,029	$ 80,080
Professional services	2,648	3,527
Total revenues	51,677	83,607
Cost of revenues		
Subscription and support	14,380	19,773
Professional services	2,218	2,956
Total cost of revenues	16,598	22,729
Gross profit	35,079	60,878
Operating expenses		
Sales and marketing	31,837	56,546
Research and development	9,705	18,216
General and administrative	11,716	20,928
Total operating expenses	53,258	95,690
Loss from operations	(18,179)	(34,812)
Other expense:		
Interest expense, net	(3,047)	(3,215)
Change in fair value of the common stock warrant liability	(3,700)	(420)
Other expense, net	(6,747)	(3,635)
Loss before income taxes	(24,926)	(38,447)
Benefit from income taxes	(8,174)	(13,713)
Net loss	$ (16,752)	$ (24,734)
Net loss per share, basic and diluted	$ (0.08)	$ (0.12)
Weighted average common shares outstanding, basic and diluted	200,445,411	202,895,292

The accompanying notes are an integral part of these consolidated financial statements

BLACKLINE, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except shares)

	Common Stock		Treasury Stock, at cost	Additional Paid-in Capital	Accumulated Deficit	Total
	Shares Outstanding	Amount				
Balance at December 31, 2013	200,400,000	$ 2,004	$ —	$ 198,518	$ (6,670)	$ 193,852
Common stock issuance	1,785,714	18	—	4,982	—	5,000
Stock repurchase	(225,000)	—	(225)	—	—	(225)
Stock-based compensation	—	—	—	2,072	—	2,072
Net loss	—	—	—	—	(16,752)	(16,752)
Balance at December 31, 2014	201,960,714	$ 2,022	$ (225)	$ 205,572	$ (23,422)	$ 183,947
Stock option exercises	1,415,926	14	—	1,406	—	1,420
Stock repurchase	(10,000)	—	(29)	—	—	(29)
Stock-based compensation	—	—	—	5,564	—	5,564
Net loss	—	—	—	—	(24,734)	(24,734)
Balance at December 31, 2015	203,366,640	$ 2,036	$ (254)	$ 212,542	$ (48,156)	$ 166,168

The accompanying notes are an integral part of these consolidated financial statements

BLACKLINE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2014	2015
Cash flows from operating activities		
Net loss	$ (16,752)	$ (24,734)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	13,455	14,739
Accretion of debt discount and paid in kind interest	2,541	2,594
Increase in fair value of common stock warrant liability	3,700	420
Change in fair value of contingent consideration	(781)	41
Stock-based compensation	2,017	5,497
Deferred income taxes	(8,283)	(13,941)
Changes in operating assets and liabilities:		
Accounts receivable	(6,821)	(6,195)
Deferred sales commissions	(1,254)	(4,343)
Prepaid expenses and other current assets	(1,116)	(507)
Other assets	(98)	(571)
Accounts payable	810	1,073
Accrued expenses and other current liabilities	3,241	6,753
Deferred revenue	17,246	18,176
Other long-term liabilities	1,038	2,004
Net cash provided by operating activities	8,943	1,006
Cash flow from investing activities		
Capitalized software development costs	(1,437)	(2,273)
Purchase of property and equipment	(1,429)	(10,094)
Net cash used in investing activities	(2,866)	(12,367)
Cash flows from financing activities		
Proceeds from issuance of common stock	5,000	—
Repurchase of common stock	(225)	(29)
Principal payments on capital lease obligations	—	(532)
Proceeds from exercise of stock options	—	1,420
Net cash provided by financing activities	4,775	859
Net increase (decrease) in cash and cash equivalents	10,852	(10,502)
Cash and cash equivalents, beginning of period	14,855	25,707
Cash and cash equivalents, end of period	$ 25,707	$ 15,205

The accompanying notes are an integral part of these consolidated financial statements

BLACKLINE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
SUPPLEMENTAL CASH FLOW DISCLOSURE
(in thousands)

	Year Ended December 31,	
	2014	2015
Supplemental disclosures of cash flow information		
Cash paid for interest	$506	$ 634
Cash paid for income taxes	$ 10	$ 6
Non-cash financing and investing activities		
Capitalized software development costs included in accounts payable and accrued expenses and other current liabilities	$ 80	$ —
Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities	$996	$ 172
Stock-based compensation capitalized for software development	$ 55	$ 67
Property and equipment acquired under capital leases	$ —	$1,648
Deferred offering costs in accounts payable and accrued expenses and other current liabilities	$ —	$1,647

The accompanying notes are an integral part of these consolidated financial statements

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—The Company

BlackLine, Inc. and its subsidiaries (the "Company" or "BlackLine") provide financial accounting close solutions delivered as a Software as a Service ("SaaS"). The Company's solutions enable its customers to address various aspects of their financial close process including account reconciliations, variance analysis of account balances, journal entry capabilities and certain types of data matching capabilities.

The Company is headquartered in Los Angeles, California and has offices in Chicago, Atlanta, Vancouver, London, Paris, Sydney, Melbourne, and Singapore.

On September 3, 2013, SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc. ("Intermediate Corp"), and SLS Breeze Merger Sub, Inc., formed by Silver Lake Sumeru Fund, LP ("Silver Lake Sumeru"), acquired BlackLine Systems, Inc. (the "Acquisition"). Prior to the Acquisition, SLS Breeze Holdings, Inc., Intermediate Corp, and SLS Breeze Merger Sub, Inc. had no significant operations. Upon completion of the Acquisition BlackLine Systems, Inc. became indirectly controlled by Silver Lake Sumeru through SLS Breeze Holdings, Inc. The Acquisition resulted in a new basis of accounting and was accounted for as a business combination. On August 21, 2014, SLS Breeze Holdings, Inc. changed its name to BlackLine, Inc. Prior to the Acquisition, BlackLine Systems, Inc. operated as an S-Corporation under the laws of the State of California. BlackLine, Inc. operates as a C-Corporation under the laws of the State of Delaware.

Note 2—Significant accounting policies

Principles of consolidation

The Company's consolidated financial statements include the operating results of its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its estimates, primarily those related to determining the best estimate of the selling price ("BESP") for separate deliverables in the Company's revenue arrangements, allowance for doubtful accounts, the fair value of assets and liabilities assumed in a business combination, the recoverability of goodwill and long-lived assets, useful lives associated with long-lived assets, contingencies, fair value of contingent consideration, and the valuation and assumptions underlying stock-based compensation and common stock warrants. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Segments

Management has determined that the Company has one operating segment. The Company's chief executive officer, who is the Company's chief operating decision maker, reviews financial

information on a consolidated and aggregate basis, together with certain operating metrics principally to make decisions about how to allocate resources and to measure the Company's performance.

Cash and cash equivalents

The Company considers all highly liquid investments with an original or remaining maturity of three months or less at the date of purchase to be cash equivalents. Cash includes cash held in checking and savings accounts. Cash equivalents are comprised of investments in money market mutual funds. Cash and cash equivalents are recorded at cost, which approximates fair value.

Restricted cash

Included in non-current other assets at December 31, 2014 and 2015 was cash of $400,000 required to be restricted as to use by the Company's office leaseholder to collateralize a standby letter of credit.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at the invoiced amount, do not require collateral, and do not bear interest. The Company estimates its allowance for doubtful accounts by evaluating specific accounts where information indicates the Company's customers may have an inability to meet financial obligations, such as bankruptcy and significantly aged receivables outstanding. The allowance for doubtful accounts as of December 31, 2014 and 2015 was $77,000 and $168,000, respectively.

Concentration of credit risk and significant customers

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents, and accounts receivable.

The Company maintains the majority of its cash balances with one major commercial bank in non-interest bearing accounts which exceed the Federal Deposit Insurance Corporation, or FDIC, federally insured limits.

The Company invests its excess cash in money market mutual funds. To date, the Company has not experienced any impairment losses on its cash equivalents.

For the years ended December 31, 2014 and 2015, no single customer comprised of more than 10% of the Company's total revenues. No single customer had an accounts receivable balance greater than 10% of total accounts receivable at December 31, 2014 and 2015.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. Expenditures for repairs and maintenance are expensed as incurred, while renewals and betterments are capitalized. Depreciation expense is charged to operations on a straight-line basis over the estimated useful lives of the assets.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The estimated useful lives of the Company's property and equipment are as follows:

	Useful Lives
Computers and equipment	3 years
Software	3 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of 7 years or lease term

Assets acquired under capital leases are capitalized at the present value of the related lease payments and are amortized over the shorter of the lease term or useful life of the asset.

Capitalized internal-use software costs

The Company accounts for the costs of computer software obtained or developed for internal use in accordance with ASC 350*, Intangibles—Goodwill and Other* ("ASC 350"). The Company capitalizes certain costs in the development of its SaaS subscription solution when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include personnel and related expenses for employees and costs of third-party contractors who are directly associated with and who devote time to internal-use software projects and, when material, interest costs incurred during the development. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to the Company's SaaS software solutions are also capitalized. Costs incurred for training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years.

During the years ended December 31, 2014 and 2015, the Company capitalized $1,508,000 and $2,260,000, respectively, of internal-use software development costs. During the years ended December 31, 2014 and 2015, the Company amortized $274,000 and $869,000, respectively, of internal-use software development costs to subscription and support cost of revenue. Based on the Company's capitalized internal-use software costs, net at December 31, 2015, estimated amortization expense of $1,365,000, $1,098,000, and $504,000 is expected to be recognized in 2016, 2017, and 2018, respectively.

Business combinations

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

Contingent consideration payable in cash arising from business combinations is recorded as a liability and measured at fair value each period. Changes in fair value are recorded in general and administrative expenses in the consolidated statements of operations.

Transaction costs associated with business combinations are expensed as incurred.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company performs valuations of assets acquired and liabilities assumed and allocates the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination.

Intangible assets

Intangible assets primarily consist of acquired developed technology, customer relationships, trade name and non-compete agreements which were acquired as part of the Acquisition. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized over their estimated useful lives using the straight-line method, which approximates the pattern in which the economic benefits are consumed. The estimated useful lives of the Company's finite-lived intangible assets are as follows:

	Useful Lives
Trade name	10 years
Developed technology	6 years
Non-compete agreements	5 years
Customer relationships	8 years

Impairment of long-lived assets

Management evaluates the recoverability of the Company's property and equipment, finite-lived intangible assets and capitalized internal-software costs, when events or changes in circumstances indicate a potential impairment exists. Events and changes in circumstances considered by the Company in determining whether the carrying value of long-lived assets may not be recoverable include, but are not limited to: significant changes in performance relative to expected operating results; significant changes in the use of the assets; significant negative industry or economic trends and changes in the Company's business strategy. Impairment testing is performed at an asset level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (an "asset group"). In determining if impairment exists, the Company estimates the undiscounted cash flows to be generated from the use and ultimate disposition of the asset group. If impairment is indicated based on a comparison of the assets' carrying values and the undiscounted cash flows, the impairment loss is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. The Company determined that there were no events or changes in circumstances that potentially indicated that the Company's long-lived assets were impaired during the years ended December 31, 2014 and 2015.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. The Company tests goodwill for impairment in accordance with the provisions of ASC 350. Goodwill is tested for impairment at least annually at the reporting unit level or whenever events or changes in circumstances indicate that goodwill might be impaired. Events or changes in circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, unanticipated competition, loss of key personnel, significant changes

in the use of the acquired assets or the Company's strategy, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations.

ASC 350 provides that an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if an entity concludes otherwise, then it is required to perform the first of a two-step impairment test.

The first step involves comparing the estimated fair value of a reporting unit with its book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then under the second step the carrying amount of the goodwill is compared with its implied fair value. The estimate of implied fair value of goodwill may require valuations of certain internally generated and unrecognized intangible assets. If the carrying amount of goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess.

The Company has one reporting unit and it tests for goodwill impairment annually during the fourth quarter of the calendar year. At December 31, 2015, the fair value of the Company significantly exceeded the carrying value of its net assets and accordingly goodwill was not impaired.

Deferred rent

Rent expense is recorded on a straight-line basis over the term of the lease. The difference between rent expense and the cash paid under the lease agreement is recorded as deferred rent. Lease incentives, including tenant improvement allowances, are also recorded as deferred rent and amortized on a straight-line basis over the lease term.

Debt issued with warrants to purchase common stock

The Company has issued warrants to purchase common stock in connection with debt arrangements (see Note 6 – Term loan). These warrants are a liability classified under ASC 815-40, *Contracts in entity's own equity*, as they contain down-round protection such that in the event of subsequent issuances of shares at-market by the Company below the exercise price of the warrant then the warrant's exercise price is reduced. The warrants are measured at fair value each period with changes in fair value recorded in other income (expense), net in the consolidated statements of operations. The warrants will continue to be measured at fair value each period until the earlier of exercise or termination.

The initial carrying value of the debt was reduced by the fair value of the warrants. The resulting debt discount is being amortized over the life of the debt on a straight-line basis which approximates the effective interest method. The amortization of the debt discount is recorded in interest expense in the consolidated statements of operations.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair value of financial instruments

ASC 820, *Fair Value Measurements* ("ASC 820") require entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1: Quoted prices in active markets for identical or similar assets and liabilities.

Level 2: Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of December 31, 2014 and 2015, the carrying value of cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value due to the short-term nature of such instruments. The carry value of long-term debt, excluding related debt discounts, approximates its fair value based on rates available to the Company for debt with similar terms and maturities.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 and 2015 by level within the fair value hierarchy. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (in thousands):

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$24,870	$ —	$ —	$24,870
Total Assets	$24,870	$ —	$ —	$24,870
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,080	$ 5,080
Contingent consideration	—	—	4,826	4,826
Total Liabilities	$ —	$ —	$ 9,906	$ 9,906

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$15,990	$ —	$ —	$15,990
Total Assets	$15,990	$ —	$ —	$15,990
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,500	$ 5,500
Contingent consideration	—	—	4,867	4,867
Total Liabilities	$ —	$ —	$10,367	$10,367

Upon the consummation of the Acquisition, the Company recorded a liability for the estimated fair value of the contingent consideration (see Note 9—Contingent Consideration). The contingent consideration is measured at fair value each period and is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The valuation of contingent consideration uses assumptions management believe would be made by a market participant. Management assesses these estimates on an on-going basis as additional data impacting the assumptions becomes available. Changes in the fair value of contingent consideration related to updated assumptions and estimates are recognized within general and administrative expenses in the consolidated statements of operations. The Company determined the fair value of the contingent consideration by discounting estimated future taxable income. The significant inputs used in the fair value measurement of contingent consideration are the timing and amount of taxable income in any given period and determining an appropriate discount rate which considers the risk associated with the forecasted taxable income. Significant changes in the estimated future taxable income and the periods in which they are generated would significantly impact the fair value of the contingent consideration liability.

Warrants to purchase common stock are liability classified and are measured at fair value each period. The fair value is determined using a binomial lattice valuation model. The fair value includes significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The valuation of common stock warrants uses assumptions management believe would be made by a market participant. Management assesses these estimates on an on-going basis

as additional data impacting the assumptions becomes available. Changes in the fair value of common stock warrant liability related to updated assumptions and estimates are recognized within other income (expense), net in the consolidated statements of operations. The significant inputs used in the fair value measurement of the common stock warrants are the estimated fair value of the Company's common stock and to a lesser extent the expected stock volatility, the probability of a change in control and future stock issuances which impact the term of the warrants. Significant increases or decreases in the estimated fair value of the Company's common stock would significantly impact the fair value of the warrant liability. The fair value of the Company's common stock is based on a number of quantitative and qualitative factors as described in Stock-Based Compensation accounting policy below.

The following table summarizes the changes in the common stock warrant liability and contingent consideration liability (in thousands):

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of December 31, 2013	$ 5,607	$ 1,380
Change in fair value	(781)	3,700
Fair value as of December 31, 2014	4,826	5,080
Change in fair value	41	420
Fair value as of December 31, 2015	$ 4,867	$ 5,500

Certain assets, including goodwill and long-lived assets, are also subject to measurement at fair value on a non-recurring basis if they are deemed to be impaired a result of an impairment review. For the years ended December 31, 2014 and 2015, no impairments were identified on those assets required to be measured at fair value on a non-recurring basis.

Revenue recognition

The Company derives its revenue from the following sources:

Subscription and support revenue – Customers pay subscription fees for access to the Company's SaaS platform generally for a one year period. In more limited cases customers may subscribe for up to three years. Fees are based on a number of factors, including the solutions subscribed for by the customer and the number of users having access to the solutions. The first year subscription fees are typically payable within 30 days after the execution of the arrangement, and thereafter upon renewal. The Company initially records the subscription fees as deferred revenue and recognizes revenue on a straight-line basis over the term of the agreement. At any time during the subscription period, customers may increase the number of their users or subscribe for additional products. Additional user fees and additional product subscriptions are payable for the remainder of the initial or extended contract term. Subscription and support revenue also includes software license revenue related to maintenance and support fees on legacy software sales as described below.

Professional services – The Company offers its customers assistance in implementing its solutions and optimizing their use. Professional services include consulting and training. These services are billed on either a fixed fee or time and material basis. Revenues from time and material arrangements are recognized as services are performed and revenues from fixed fee arrangements are initially recorded as deferred revenue and recognized on a proportional performance basis as the services are performed.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company recognizes subscription and professional services revenues when: (i) persuasive evidence of an arrangement for the sale of the Company's solutions or consulting services exists, (ii) the solutions have been made available or delivered, or services have been performed, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. The timing and amount the Company recognizes as revenue is determined based on the facts and circumstances of each customer's arrangement. Evidence of an arrangement consists of a signed customer agreement. The Company considers that delivery of a solution has commenced once it provides the customer with log-in information to access and use the solution. Fees are fixed based on stated rates specified in the customer agreement. The Company assesses collectability based on a number of factors, including the creditworthiness of the customer, review of their financial information or transaction history. If collectability is not considered reasonably assured, revenue is deferred until the fees are collected.

The majority of customer arrangements include multiple deliverables such as subscriptions to the Company's SaaS solutions and professional services. The Company recognizes revenue in accordance with the guidance for arrangements with multiple deliverables under Accounting Standards Update ("ASU") 2009-13 *Revenue Recognition (Topic 605) – Multiple-Deliverable Revenue Arrangements – a Consensus of the Emerging Issues Task Force* ("ASU 2009-13"). For subscription agreements, as customers do not have the right to the software code underlying the Company's solutions, subscription revenue arrangements are outside the scope of software revenue recognition guidance as defined by ASC Topic 985-605, *Software.* The Company's agreements do not contain any refund provisions other than in the event of the Company's non-performance or breach.

For multiple-deliverable revenue arrangements, the Company first assesses whether each deliverable has value to the customer on a standalone basis. The Company has determined that the SaaS products have standalone value, because, once access is given to the customer, the solutions are fully functional and do not require any additional development, modification, or customization. Professional services have standalone value, because third-party partners and customers themselves can perform these services without the Company's involvement. The performance of these professional services generally does not require highly specialized or technologically skilled individuals and the professional services are not essential to the functionality of the solutions.

The Company allocates revenue among the separate non-contingent deliverables in an arrangement under the relative selling price method using the selling price hierarchy established in ASU 2009-13. This hierarchy requires the selling price of each deliverable in a multiple deliverable arrangement to be based on, in descending order: (i) vendor-specific objective evidence of fair value ("VSOE"), (ii) third-party evidence of fair value ("TPE") or (iii) management's best estimate of the selling price ("BESP").

The Company is not able to determine VSOE or TPE for its deliverables, because the deliverables are typically bundled and infrequently sold separately within a consistent price range. Additionally, management has determined that there are no third-party offerings reasonably comparable to the Company's solutions. Therefore, the selling prices of subscriptions to the SaaS solutions and professional services are based on BESP. The determination of BESP requires the Company to make significant estimates and judgments. The Company considers numerous factors, including the nature of the deliverables themselves, geography, customer size and number of users, and discounting practices. The determination of BESP is made through consultation with senior management. The Company updates its estimates of BESP on an ongoing basis as events and as circumstances may require. As the Company's marketing strategies evolve, the Company may modify its pricing practices in the future, which could result in changes in relative selling prices and BESP.

BLACKLINE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company uses business process outsourcers ("BPOs") and resellers to complement its direct sales and marketing efforts. The BPOs and resellers place orders with the Company after receiving an order from an end customer. The BPOs and resellers receive business terms of sale similar to those received by the Company's direct customers, and payment to the Company is not contingent on the receipt of payment from the end customer. The BPOs and resellers negotiate pricing with the end customer and are responsible for implementation services, if any, and for certain support levels directly with the end customer. The Company recognizes revenue over the term of the arrangement for the contractual amount charged to the BPO or reseller, once access to the Company's solution has been provided to the end customer provided that the other revenue recognition criteria noted above have been met.

Subscription and support revenues also include revenues associated with sales of software licenses and related support. Prior to the development of the Company's SaaS solutions, the Company sold software licenses and post contract support which was accounted for in accordance with ASC Topic 985-605, *Software.* The Company continues to provide post contract support to a limited number of customers that have not yet migrated to the SaaS solution. Software revenues relates primarily to annual renewals of post contract support which are recognized on a straight-line basis over the support period. Software revenues comprised approximately 3% and 1% of total revenues for the years ended December 31, 2014 and 2015, respectively. The Company no longer develops any new applications or functionality for the legacy software licensed to customers.

Taxes collected from customers are accounted for on a net basis and are excluded from revenue.

Cost of revenues

Cost of revenues primarily consists of costs related to hosting the Company's cloud-based application suite, salaries and benefits of operations and support personnel, including stock-based compensation, and amortization of capitalized internal-use software costs. The Company allocates a portion of overhead, such as rent, IT costs, and depreciation and amortization to cost of revenues. Costs associated with providing professional services are expensed as incurred when the services are performed. In addition, subscription and support cost of revenues includes amortization of acquired developed technology.

Sales and marketing

Sales and marketing expenses consist primarily of compensation and employee benefits, including stock-based compensation of sales and marketing personnel and related sales support teams, sales and partner commissions, marketing events, advertising costs, travel, trade shows, other marketing materials and allocated overhead. Sales and marketing expenses also include amortization of customer relationship intangible assets. Advertising costs are expensed as incurred and totaled $1,549,000 and $2,950,000 for the years ended December 31, 2014 and 2015, respectively.

Deferred sales commissions

Deferred sales commissions are the incremental costs that are directly associated with non-cancelable subscription contracts with customers and consist of sales commissions paid to the Company's direct sales force and third-party partners. The commissions are deferred and amortized over the non-cancelable terms of the related customer contracts, which are typically one year in duration. The commission payments are paid in full the month after the customer's service

commences. The deferred commission amounts are recoverable through the future revenue streams under the non-cancelable customer contracts. The Company believes this is the preferable method of accounting as the sales commission charges are so closely related to the revenue from the non-cancelable customer contracts that they should be recorded as an asset and charged to expense over the same period that the subscription revenue is recognized. Amortization of deferred sales commissions is included in sales and marketing in the accompanying consolidated statements of operations. As of December 31, 2014 and 2015, deferred commission costs, net of accumulated amortization were $1,903,000 and $6,246,000, respectively. Amortization of commission costs was $2,458,000 and $7,324,000 for the years ended December 31, 2014 and 2015, respectively.

Research and development

Research and development expenses are comprised primarily of salaries, benefits, and stock-based compensation associated with the Company's engineering, product and quality assurance personnel. Research and development expenses also include third-party contractors and supplies and allocated overhead. Other than software development costs that qualify for capitalization, discussed above, research and development costs are expensed as incurred.

General and administrative

General and administrative expenses consist primarily of personnel costs associated with the Company's executive, finance, legal, human resources, compliance, and other administrative personnel, as well as accounting and legal professional services fees, other corporate related expenses and allocated overhead. General and administrative expenses also include amortization of covenant not to compete and tradename intangible assets.

Stock-based compensation

The Company accounts for stock-based compensation awards granted to employees and directors based on the awards' estimated grant date fair value. The Company estimates the fair value of its stock options using the Black-Scholes option-pricing model. The resulting fair value, net of estimated forfeitures, is recognized on a straight-line basis over the period during which an employee is required to provide service in exchange for the award, usually the vesting period, which is generally four years. The Company recognizes the fair value of stock options which contain performance conditions based upon the probability of the performance conditions being met, net of estimated forfeitures, using the graded vesting method. Estimated forfeitures are based upon the Company's historical experience and the Company revises its estimates, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

Determining the grant date fair value of options using the Black-Scholes option pricing model requires management to make assumptions and judgments. These estimates involve inherent uncertainties and if different assumptions had been used, stock-based compensation expense could have been materially different from the amounts recorded.

The assumptions and estimates are as follows:

Value per share of the Company's common stock. Because there is no public market for the Company's common stock, the Company's management, with the assistance of a third-party valuation specialist, determined the common stock fair value at the time of the grant of stock options by

considering a number of objective and subjective factors, including the Company's actual operating and financial performance, market conditions and performance of comparable publicly traded companies, developments and milestones in the Company, the likelihood of achieving a liquidity event and transactions involving the Company's common stock, among other factors. The fair value of the underlying common stock will be determined by the Company's board of directors until such time as the Company's common stock commences trading on an established stock exchange or national market system. The fair value of the Company's common stock has been determined in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants, *Valuation of Privately Held Company Equity Securities Issued as Compensation*.

Expected volatility. The Company determines the expected volatility based on historical average volatilities of similar publicly traded companies corresponding to the expected term of the awards.

Expected term. The Company determines the expected term of awards which contain only service conditions using the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award, as the Company does not have sufficient historical data relating to stock-option exercises. For awards granted which contain performance conditions, the Company estimates the expected term based on estimates of post-vesting employment termination behavior taking into account the life of the award.

Risk-free interest rate. The risk-free interest rate is based on the United States Treasury yield curve in effect during the period the options were granted corresponding to the expected term of the awards.

Estimated dividend yield. The estimated dividend yield is zero, as the Company does not currently intend to declare dividends in the foreseeable future.

The following information represents the weighted average of the assumptions used in Black-Scholes option-pricing model:

	Year Ended December 31,	
	2014	2015
Expected term (years)	6.2	6.3
Expected volatility	54.0%	49.6%
Risk free interest rate	1.9%	1.7%
Expected dividends	—	—

Income taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the consolidated statements of operations in the period that includes the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

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The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. The Company recognizes interest and penalties accrued with respect to uncertain tax positions, if any, in the provision for income taxes in the consolidated statements of operations.

Net loss per share

Basic and diluted loss per share is calculated by dividing net loss by the weighted average number of shares of common stock outstanding. As the Company has net losses for the periods presented all potentially dilutive common stock, which are comprised of stock options and warrants, are antidilutive.

As of December 31, 2014 and 2015, the following potentially dilutive shares have been excluded from the calculation of diluted net loss per share attributable to common stockholders because they are anti-dilutive:

	December 31,	
	2014	2015
Options to purchase common stock	20,730,000	29,521,884
Common stock warrants	2,500,000	2,500,000
Total shares excluded from net loss per share	23,230,000	32,021,884

Foreign currency

The Company's foreign subsidiaries' functional currency is the U.S. Dollar. The foreign exchange impacts of remeasuring the foreign subsidiaries' local currency to the U.S. Dollar functional currency is recorded in general and administrative expenses, net in the Company's consolidated statement of operations. Monetary assets and liabilities of foreign operations are remeasured at balance sheet date exchange rates, non-monetary assets and liabilities and equity are remeasured at the historical exchange rates, while results of operations are remeasured at average exchange rates in effect for the period. The foreign currency transaction gains or losses were immaterial for each period presented.

Comprehensive income or loss

ASC 220, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive income or loss and its components in the financial statements. For the years ended December 31, 2014 and 2015, the Company had no other comprehensive income (loss) items and therefore, comprehensive loss equaled net loss. Accordingly, a separate statement of comprehensive loss has not been presented.

Recently issued accounting standards

Under the Jumpstart Our Business Startups Act, or the JOBS Act, the Company meets the definition of an emerging growth company. The Company has irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

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In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance related to revenue from contracts with customers. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The updated standard will replace all existing revenue recognition guidance under GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In July 2015, the FASB voted to defer the effective date to January 1, 2018, with early adoption beginning January 1, 2017. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

In April 2015, the FASB issued new guidance related to the presentation of debt issuance costs, which requires debt issuance costs to be presented in the balance sheet as a direct deduction for the associated debt liability. The new guidance is effective for annual and interim reporting periods beginning after December 15, 2015. Early adoption is permitted for financial statements that have not been previously issued. The Company early adopted this guidance in connection with the issuance of its prior year financial statements. The adoption resulted in $304,000 of issuance costs as of December 31, 2013 related to the Company's long-term debt being recorded as a reduction in the carrying amount of the debt rather than deferred charges recorded in other assets on the consolidated balance sheet

In April 2015, the FASB issued new guidance related to the customer's accounting for fees paid in a cloud computing arrangement, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The new guidance is effective for annual reporting periods beginning after December 15, 2015. The adoption of this guidance is not expected to have a material impact on its consolidated financial statements.

In November 2015, the FASB issued new authoritative accounting guidance on simplifying the presentation of deferred income taxes, which requires that deferred income tax liabilities and assets be presented as a net non-current deferred tax asset or liability by jurisdiction on the balance sheet. The guidance is effective for periods beginning after December 15, 2016, however earlier adoption is permitted for all entities for any interim or annual financial statements that have not been issued. The Company early adopted this guidance as of December 31, 2015 and applied the guidance retrospectively to prior periods. As a result, the Company reclassified $634,000 from a short-term deferred tax asset to a long-term deferred tax liability as of December 31, 2014.

In February 2016, the FASB issued new guidance which significantly changes the accounting for leases. The new guidance requires a lessee recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. For income statement purposes, the new guidance retained a dual model, requiring leases to be classified as either operating or financing. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern similar to existing capital lease guidance. For statement of cash flow purposes, the new guidance also retained the existing dual method, where cash payments for operating leases are reflected in cash flows from operating activities and principal and interest payments for finance leases

are reflected in cash flows from financing activities and cash flows from operating activities, respectively. The new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The new guidance requires the recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective approach. The use of the modified retrospective approach allows an entity to use a number of practical expedients in the application of this new guidance. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

Note 3—Property and equipment

Property and equipment consist of the following at December 31, 2014 and 2015 (in thousands):

	December 31,	
	2014	2015
Computers and equipment	$ 1,024	$ 2,173
Software	589	2,501
Furniture and fixtures	466	1,852
Leasehold improvements	799	7,670
Construction in progress	1,674	1,274
	4,552	15,470
Less: accumulated depreciation	(1,273)	(3,051)
	$ 3,279	$12,419

Depreciation expense was $1,089,000 and $1,778,000 for the years ended December 31, 2014 and 2015, respectively.

Software and construction in progress includes assets held under capital lease of $1,648,000 as of December 31, 2015, with related accumulated amortization thereon of $60,000.

Note 4—Intangible assets

The carrying value of intangible assets as of December 31, 2014 and 2015 was as follows (in thousands):

	December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$15,964	$ (2,129)	$ 13,835
Developed technology	36,844	(8,187)	28,657
Non-compete agreements	4,341	(1,158)	3,183
Customer relationships	27,894	(4,649)	23,245
	$85,043	$ (16,123)	$ 68,920

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	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$15,964	$ (3,727)	$12,237
Developed technology	36,844	(14,326)	22,518
Non-compete agreements	4,341	(2,026)	2,315
Customer relationships	27,894	(8,136)	19,758
	$85,043	$ (28,215)	$56,828

Amortization expense is included in the following functional statement of operations expense categories (in thousands):

	Year ended December 31,	
	2014	2015
Cost of revenues	$ 6,139	$ 6,139
Sales and marketing	3,487	3,487
General and administrative	2,466	2,466
	$12,092	$12,092

The following table presents the Company's estimate of remaining amortization expense for each of the five succeeding fiscal years and thereafter for finite-lived intangible assets at December 31, 2015 (in thousands):

2016	$12,092
2017	12,092
2018	11,803
2019	9,177
2020	5,083
Thereafter	6,581
	$56,828

Note 5—Accrued expenses and other current liabilities

At December 31, 2014 and 2015, accrued expenses and other current liabilities comprise the following (in thousands):

	December 31,	
	2014	2015
Accrued salary and employee benefits	$5,786	$ 9,716
Accrued income and other taxes payable	588	1,047
Short-term portion of capital lease obligations	—	558
Accrued commissions to third party partners	512	2,305
Deferred offering costs	—	419
Other accrued expenses	476	967
	$7,362	$15,012

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Note 6—Term loan

In September 2013, the Company entered into a $25 million term loan agreement (the "Term Loan"). The Term Loan has a term of five years and expires and is repayable on September 25, 2018. There are no minimum principal payments due under the Agreement. The Term Loan bears interest at (i) the greater of LIBOR or 1.5% plus (ii) 8%. At December 31, 2014 and 2015, the interest rate on the Term Loan was 9.5%. The interest is due quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, commencing December 31, 2013. Interest can be paid in varying amounts in cash or in payment in kind. For the years ended December 31, 2014 and 2015, interest of $2,037,000 and $2,090,000, respectively, was paid in kind, thereby increasing the outstanding principal. Interest paid in kind is due and payable at maturity of the Term Loan. The Term Loan is collateralized against all of the Company's assets. In connection with certain events, including a change in control, or if the Company elects to repay the Term Loan, within three years of September 2013 the Company is required to pay a prepayment penalty. The Term Loan requires the Company to comply on a quarterly basis with a maximum consolidated leverage ratio financial covenant. The consolidated leverage ratio is the ratio of the principal amount of the Term Loan outstanding to revenues for the most recent four consecutive quarters. The Company was in compliance with this financial covenant at December 31, 2014 and 2015. The Term Loan also places restrictions on dividends payments, certain investments and acquisitions, and other customary restrictions. The Term Loan, which was entered into by the Company's subsidiary, BlackLine Systems, Inc. also places restrictions on making dividend payments, loans or advances to BlackLine Inc. and its subsidiaries. All of the BlackLine Systems, Inc.'s net assets are restricted from making payments, loans or advances to BlackLine, Inc. and its subsidiaries. Restricted net assets as of December 31, 2015 amounted to $166.2 million.

The Company incurred $1,140,000 in transaction costs and fees payable to the lender related to the Term Loan. This amount, net of amortization, is presented as a discount against the carrying amount of the Term Loan as of December 31, 2014 and 2015. A total of $228,000 of debt discount has been amortized to interest expense for each of the years ended December 31, 2014 and 2015.

In conjunction with Term Loan, the Company issued warrants to purchase 2,500,000 shares of common stock at an exercise price per share of $1.00. The warrants are exercisable at any time by the holder and expire upon the earlier of ten years from the issuance date or the sale of the Company. At December 31, 2015, the warrants remain outstanding. The carrying value of the Term Loan was reduced by the fair value of the warrants at issuance of $1,380,000. The resulting debt discount is being amortized over the term of the debt on a straight-line basis which approximates the effective interest method. The amortization of the debt discount is recorded in interest expense in the consolidated statements of operations. For each of the years ended December 31, 2014 and 2015, amortization of debt discount relating to the warrant was $276,000. As of December 31, 2014 and 2015, the Company reserved 2,500,000 shares of common stock for issuance from its authorized and unissued common stock.

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The net carrying value of the Term Loan as of December 31, 2014 and 2015 consists of the following (in thousands):

	December 31, 2014	December 31, 2015
Principal amount (including interest paid in kind)	$27,558	$29,648
Unamortized debt issuance costs and debt discount	(855)	(627)
Unamortized common stock warrant liability discount	(1,030)	(754)
Net carrying value	$25,673	$28,267

Note 7—Other long-term liabilities

At December 31, 2014 and 2015, other long-term liabilities comprise the following (in thousands):

	December 31, 2014	December 31, 2015
Deferred rent	$1,069	$3,073
Capital lease obligations, net of current portion	—	558
	$1,069	$3,631

Note 8—Income taxes

The components of income (loss) before income taxes for the years ended December 31, 2014 and 2015 are as follows (in thousands):

	Year Ended December 31, 2014	Year Ended December 31, 2015
United States	$ (25,387)	$ (39,350)
International	461	903
	$ (24,926)	$ (38,447)

The components of the total income tax benefit for the years ended December 31, 2014 and 2015 are summarized as follows (in thousands):

	Year Ended December 31, 2014	Year Ended December 31, 2015
Current		
Federal	$ —	$ —
State	1	7
International	108	221
Total current income tax expense	109	228
Deferred		
Federal	(7,111)	(12,468)
State	(1,172)	(1,473)
Total deferred income tax benefit	(8,283)	(13,941)
Total income tax benefit	$(8,174)	$ (13,713)

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A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate for the years ended December 31, 2014 and 2015 is as follows:

	Year Ended December 31,	
	2014	2015
Federal statutory income tax rate	34.0%	34.0%
State tax, net of federal benefit	3.1%	4.0%
Federal tax credits	0.6%	1.1%
Change in valuation allowance	—	(2.3%)
Common stock warrants	(5.0%)	(0.4%)
Contingent consideration	1.0%	—
Other	(0.9%)	(0.7%)
	32.8%	35.7%

Significant components of the Company's tax assets and liabilities at December 31, 2014 and 2015 are as follows (in thousands):

	December 31,	
	2014	2015
Deferred tax assets		
Accrued expenses and other current liabilities	$ 188	$ 1,147
Business credits	1,146	1,962
Contingent consideration	358	356
Stock-based compensation	769	2,488
Net operating loss carryover	4,626	13,586
Other	1	2
Total deferred tax assets	7,088	19,541
Less valuation allowance	—	(887)
Deferred tax assets, net of valuation allowance	7,088	18,654
Deferred tax liabilities		
Property and equipment	(222)	(1,473)
Common stock warrants	(87)	(63)
Intangible assets	(26,115)	(21,800)
Prepaid expenses	(512)	(1,225)
Total deferred tax liabilities	(26,936)	(24,561)
Net deferred taxes	$ (19,848)	$ (5,907)

ASC 740 requires that the tax benefit of net operating losses, temporary differences, and credit carryforwards be recorded as an asset to the extent that the Company assesses that realization is "more likely than not." A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. With respect to tax jurisdictions outside of California, deferred tax liabilities, which exceed deferred tax assets, are an available source of income to realize the deferred tax assets. Accordingly, the Company has determined that it is more likely not that the deferred tax assets will be realized and no valuation allowance has been recorded. The Company will continue to evaluate the realizability of these deferred tax assets and, in the future, to the extent that deferred tax assets exceed deferred tax liabilities that are an available source of income to realize the

deferred tax assets, the Company will be required to record a valuation allowance against the deferred tax assets, unless the Company has objective evidence to determine that sufficient future taxable income will be generated to realize the deferred tax assets. In the State of California, the Company's deferred tax assets exceed deferred tax liabilities, and because of the Company's recent history of operating losses, the Company believes that recognition of these deferred tax assets is currently not likely to be realized. Accordingly, the Company has provided a valuation allowance against its California deferred tax assets.

The change in the valuation allowance for the years ended December 31, 2014 and 2015, is as follows (in thousands):

	December 31,	
	2014	2015
Valuation allowance, at beginning of year	$ —	$ —
Increase in valuation allowance	—	887
Valuation allowance, at end of year	$ —	$887

The Company did not provide for United States income taxes on the undistributed earnings and other outside temporary differences of foreign subsidiaries as they are considered indefinitely reinvested outside the United States. As of December 31, 2014 and 2015 the amount of temporary differences related to undistributed earnings and other outside temporary differences upon which United States income taxes have not been provided is immaterial to these financial statements.

As of December 31, 2015, the Company had consolidated federal and State of California net operating loss carryforwards available to offset future taxable income of approximately $70.3 million and $65.6 million, respectively. Pursuant to Internal Revenue Code Section 382, use of the Company's net operating loss carryforwards may be limited if the Company experiences a cumulative change in ownership of more than 50% over a three-year period. At December 31, 2015, $32.8 million of net operating losses related to tax benefits for stock-based compensation resulting from gains that certain individual option holders experienced from the Acquisition to date and are not included in the deferred tax assets and will be recorded to additional paid in capital when and if they reduce taxes payable.

The following is a roll-forward of the Company's total gross unrecognized tax benefits (in thousands):

Gross unrecognized tax benefits, December 31, 2013	$153
Increase related to positions taken in the year ended December 31, 2014	35
Total gross unrecognized tax benefits, December 31, 2014	188
Increase related to positions taken in the year ended December 31, 2015	90
Total gross unrecognized tax benefits, December 31, 2015	$278

As of December 31, 2014 and 2015, $188,000 and $146,000, respectively, of unrecognized tax benefits would affect the Company's effective rate if recognized. The Company has not recorded any interest or penalties in its benefit from income taxes for the years ended December 31, 2014 and 2015 and no such amounts have been accrued as of December 31, 2014 and 2015.

The Company's 2013 and 2014 tax returns remain open for examination by the Internal Revenue Service and various state authorities. Internationally, the Company's 2013 and 2014 returns remain open for examination in various foreign jurisdictions by non-US tax authorities.

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The Company does not anticipate either material changes in the total amount or composition of its unrecognized tax benefits within 12 months of the reporting date.

Note 9—Contingent consideration

On September 3, 2013, The Company entered into a merger agreement with certain holders of its common stock, including Silver Lake Sumeru, Iconiq, Ms. Tucker and Mr. Spanicciati. Pursuant to the terms of the merger agreement, the Company's optionholders were allowed to cancel their stock option rights and receive a cash payment equal to the amount of calculated gain (less applicable expense and other items) had they exercised their stock options and then sold their common shares as part of the Acquisition. As a condition of the Acquisition, the Company is required to pay additional cash consideration to certain equity holders, including Ms. Tucker, Mr. Spanicciati and Mr. Unterman, if the Company realizes a tax benefit from the use of net operating losses generated from the stock option exercises concurrent with the Acquisition. The maximum contingent cash consideration to be distributed is $8.0 million. The fair value of the contingent consideration was $4.8 million and $4.9 million as of December 31, 2014 and 2015, respectively. See Note 2—Significant accounting policies—Fair value of financial instruments for additional information regarding the valuation of the contingent consideration.

Note 10—Commitments and contingencies

Operating leases—The Company has various non-cancelable operating leases for its corporate and international offices. These leases expire at various times through 2023. Certain lease agreements contain renewal options, rent abatement, and escalation clauses. The Company recognizes rent expense on a straight-line basis over the lease term, commencing when the Company takes possession of the property. Certain of the Company's office leases entitle the Company to receive a tenant allowance from the landlord. The Company records tenant allowances as a deferred rent credit, which the Company amortizes on a straight-line basis, as a reduction of rent expense, over the term of the underlying lease. Total rent expense under the operating leases was approximately $1,800,000 and $2,507,000 for the years ended December 31, 2014 and 2015, respectively.

Future minimum lease payments under non-cancelable operating leases are as follows for the years ended December 31 (in thousands):

2016	$ 3,699
2017	3,316
2018	2,553
2019	1,978
2020	1,825
Thereafter	3,912
	$17,283

Capital leases—The Company leases computer software from various parties under capital lease agreements. Outstanding principal payments under capital lease obligations were $1,116,000 as of December 31, 2015 of which $558,000 is payable in 2016 and $558,000 is payable in 2017.

Litigation—From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Company is not currently a party to any

legal proceedings, nor is it aware of any pending or threatened litigation, that would have a material adverse effect on the Company's business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

Indemnification—In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor have it been sued in connection with these indemnification arrangements. As of December 31, 2014 and 2015, the Company has not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

Note 11—Capitalization

As of December 31, 2015, the authorized capital stock of the Company consisted of 250 million shares of common stock.

As of December 31, 2015, the Company had reserved for issuance 32.0 million shares of common stock from its available but unissued authorized shares, consisting of 29.5 million shares issuable upon the exercise of stock options under the Company's Equity Incentive Plan (the "Plan") and warrants to purchase 2.5 million shares of common stock.

On November 19, 2014, the Company raised gross proceeds of $5.0 million from the issuance of 1,785,714 shares of common stock from an existing investor.

During the years ended December 31, 2014 and 2015, the Company repurchased in aggregate 225,000 and 10,000 shares of common stock from former employees for $225,000 and $29,000, respectively, which are held in treasury stock.

Note 12—Stock options

The Company's board of directors may grant stock options to employees, directors and consultants under the 2014 Equity Incentive Plan (the "2014 Plan"). Under the 2014 Plan, the number of shares of common stock to be granted or subject to options or rights may not exceed 32 million. The aggregate number of shares available under the 2014 Plan and the number of shares subject to outstanding options automatically adjusts for any changes in the Company's outstanding common stock by reason of any recapitalization, spin-off, reorganization, reclassification, stock dividend, stock split, reverse stock split, or similar transaction. As of December 31, 2015, 1,069,500 shares were available for grant under the 2014 Plan. The exercise price of incentive stock options may not be less than the fair value of the Company's common stock at the date of grant. The exercise price of incentive stock options granted to individuals that own greater than 10% of the Company's voting stock may not be less than 110% of the fair value of the Company's common stock at the date of grant. Stock options generally vest over four years and have contractual terms of ten years.

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A summary of the Company's stock option activity and related information for the year ended December 31, 2015 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2014	20,730,000	$ 1.07	9.2	$35,766,000
Granted	11,259,384	2.86		
Exercised	(1,415,926)	1.01		
Forfeited	(1,051,574)	2.02		
Outstanding, December 31, 2015	29,521,884	$ 1.72	8.6	$37,788,000
Exercisable at December 31, 2015	3,766,375	$ 1.27	8.3	$ 6,516,000
Vested and expected to vest at December 31, 2015	26,694,800	$ 1.72	8.6	$34,169,000

The weighted average grant date fair value per share of options granted during the years ended December 31, 2014 and 2015 was $0.57 and $1.41, respectively. The aggregate intrinsic value of options exercised during the year ended December 31, 2015 was $2,573,000. No options were exercised during the year ended December 31, 2014.

Unrecognized compensation expense relating to stock options was $16.5 million at December 31, 2015 which is expected to be recognized over a weighted-average period of 2.9 years.

Stock-based compensation expense for stock option awards for the years ended December 31, 2014 and 2015 was as follows (in thousands):

	Year Ended December 31,	
	2014	2015
Cost of revenue	$ 249	$ 466
Sales and marketing	1,059	2,418
Research and development	229	588
General and administrative	480	2,025
	$2,017	$5,497

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The table below sets forth information regarding stock options granted subsequent to December 31, 2014:

Grant Date	Number of Shares	Exercise Price at Grant Date	Estimated per Share Fair Value of Common Stock at Grant Date
January 15, 2015	310,000	$ 2.80	$ 2.80
March 30, 2015	5,183,884	2.80	2.80
April 6, 2015	50,000	2.80	2.80
May 20, 2015	1,969,000	2.90	2.90
May 30, 2015	1,000,000	2.90	2.90
August 31, 2015	1,971,000	2.90	2.90
November 10, 2015	775,500	3.00	3.00
March 9, 2016	857,500	3.00	2.80

Note 13—Defined contribution plan

The Company sponsors a defined contribution retirement plan (the "Plan") that covers substantially all domestic employees. Employees who have completed at least one year of service with the Company are eligible to participate in the Plan. The Company makes matching contributions of 100% of each $1 of the employee's contribution up to the first 3% of the employee's bi-weekly compensation and 50% of each $1 of the employee's contribution up to the next 2% of the employee's bi-weekly compensation. Matching contributions to the Plan totaled $949,000 and $1,728,000 for the years ended December 31, 2014 and 2015, respectively.

Note 14—Related party transactions

As of December 31, 2015, the Company accrued for costs of third party legal services incurred on behalf of Silver Lake Sumeru, ICONIQ Capital Group, L.P., a minority shareholder, and Mr. Spanicciati, a minority shareholder, relating to the Company's initial public offering and other corporate related matters. Total amounts accrued at December 31, 2015 were $161,000, of which $84,000 were expensed during 2015 and $77,000 were included in other assets as deferred offering costs.

Note 15—Geographic information

Revenue by region is classified based on the country of the customer's contracting office. The following table sets forth the Company's revenue by geographic region (in thousands):

	Year Ended December 31,	
	2014	2015
United States	$45,039	$71,832
International	6,638	11,775
	$51,677	$83,607

No countries outside the United States represented greater than 10% of total revenues.

Substantially all of the Company's property and equipment is located in the United States.

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Note 16—Subsequent events

The Company has evaluated subsequent events through March 24, 2016, which is the date the consolidated financial statements were available to be issued.

On January 14, 2016, the Board of Directors approved the retirement of 235,000 shares of treasury stock.

On March 9, 2016, the Company granted stock options to purchase 857,500 shares of common stock at a weighted average exercise price of $3.00 per share. The grant date fair value of these awards was approximately $1.0 million, which is expected to be recognized to expense, net of forfeitures, over the vesting period of 4 years.

On March 22, 2016, the Company amended its credit facility to add an additional $5.0 million term loan (the “2016 Incremental Term Loan”) and provide for a $5.0 million revolving line of credit. The additional $5.0 million borrowing under the 2016 Incremental Term Loan and the revolving line of credit each mature in September 2018. The 2016 Incremental Term Loan bears interest at (i) the greater of LIBOR or 1.5% plus (ii) 8% and can be paid in varying amounts in cash or in kind. The revolving line of credit bears interest at (i) the greater of LIBOR or 0.5% plus (ii) 6%. The Company is also required to pay a commitment fee equal to 0.5% per annum of the unused portion of the revolving line of credit.

SCHEDULE I—CONDENSED PARENT COMPANY FINANCIAL INFORMATION OF BLACKLINE, INC.

PARENT COMPANY BALANCE SHEETS
(in thousands, except shares and par values)

	December 31, 2014	December 31, 2015
Assets		
Investment in subsidiaries	$183,947	$166,168
Total assets	$183,947	$166,168
Equity		
BlackLine, Inc. stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 202,185,714 issued and 201,960,714 outstanding as of December 31, 2014 and 203,601,640 issued and 203,366,640 outstanding as of December 31, 2015	$ 2,022	$ 2,036
Treasury Stock, 225,000 shares at cost at December 31, 2014 and 235,000 shares at cost at December 31, 2015	(225)	(254)
Additional paid-in capital	205,572	212,542
Accumulated deficit	(23,422)	(48,156)
Total BlackLine, Inc. stockholders' equity	$183,947	$166,168

The accompanying notes are an integral part of these financial statements

SCHEDULE I—CONDENSED PARENT COMPANY FINANCIAL INFORMATION OF BLACKLINE, INC. (CONTINUED)

PARENT COMPANY STATEMENTS OF OPERATIONS
(in thousands)

	Year Ended December 31,	
	2014	2015
Equity in undistributed earnings of subsidiary	$ (16,752)	$ (24,734)
Net loss	$ (16,752)	$ (24,734)

The accompanying notes are an integral part of these financial statements

SCHEDULE I—CONDENSED PARENT COMPANY FINANCIAL INFORMATION OF BLACKLINE, INC. (CONTINUED)

PARENT COMPANY STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2014	2015
Cash flows from operating activities:		
Net loss	$ (16,752)	$ (24,734)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in undistributed earnings of subsidiary	16,752	24,734
Net cash provided by operating activities	—	—
Cash flows from investing activities:		
Investment in subsidiary	(4,775)	(1,391)
Net cash used in investing activities	(4,775)	(1,391)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of offering costs	5,000	—
Repurchase of common stock	(225)	(29)
Proceeds from exercise of stock options	—	1,420
Net cash provided by financing activities	4,775	1,391
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents at the beginning of period	—	—
Cash and cash equivalents at end of period	$ —	$ —

The accompanying notes are an integral part of these financial statements

SCHEDULE I—CONDENSED PARENT COMPANY FINANCIAL INFORMATION OF BLACKLINE, INC. (CONTINUED)

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

Note 1—Basis of presentation

On September 3, 2013, SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc. ("Intermediate Corp"), and SLS Breeze Merger Sub, Inc., formed by Silver Lake Sumeru Fund, LP ("Silver Lake Sumeru"), acquired BlackLine Systems, Inc. (the "Acquisition"). Prior to the Acquisition, SLS Breeze Holdings, Inc., Intermediate Corp, and SLS Breeze Merger Sub, Inc. had no significant operations. Upon completion of the Acquisition BlackLine Systems, Inc. became indirectly controlled by Silver Lake Sumeru through SLS Breeze Holdings, Inc. On August 21, 2014, SLS Breeze Holdings, Inc. changed its name to BlackLine, Inc.

The financial statements for BlackLine, Inc. (the "Parent Company") summarize the results of operations and cash flows of the Parent Company for the years ended December 31, 2014 and 2015, and its financial position at December 31, 2014 and 2015. In these statements, the Parent Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since the date of the Acquisition. The Parent Company's share of net loss of its subsidiaries is included in net loss using the equity method of accounting.

The Parent Company financial statements should be read in conjunction with the consolidated financial statements of BlackLine, Inc. for the corresponding periods. Under the terms of agreements governing the $25 million term loan entered into by BlackLine Systems, Inc., a subsidiary of Blackline, Inc., such subsidiary is significantly restricted from making dividend payments, loans or advances to BlackLine Inc. and its subsidiaries. These restrictions have resulted in the restricted net assets (as defined in Rule 4-08(e)(3) of Regulation S-X) of BlackLine Systems, Inc. and its subsidiaries exceeding 25% of the consolidated net assets of BlackLine Inc. and its subsidiaries.

Note 2—Dividends received from subsidiaries

During the years ended December 31, 2014 and 2015, no dividends were paid to the Parent Company by its subsidiaries.

BLACKLINE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except shares and par values)

	December 31, 2015	June 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,205	$ 13,647
Accounts receivable, net	24,235	25,643
Deferred sales commissions	6,246	6,307
Prepaid expenses and other current assets	2,801	3,864
Total current assets	48,487	49,461
Capitalized software development costs, net	2,967	3,656
Property and equipment, net	12,419	11,721
Intangible assets, net	56,828	50,782
Goodwill	163,154	163,154
Other assets	2,895	4,024
Total assets	$ 286,750	$282,798
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,648	$ 6,280
Accrued expenses and other current liabilities	15,012	12,548
Deferred revenue	52,750	60,501
Short-term portion of contingent consideration	2,008	2,008
Total current liabilities	74,418	81,337
Term loan, net	28,267	34,399
Common stock warrant liability	5,500	5,200
Contingent consideration	2,859	3,002
Deferred tax liabilities	5,907	3,007
Other long-term liabilities	3,631	3,041
Total liabilities	120,582	129,986
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Common stock, $0.01 par value, 250,000,000 shares authorized, 203,601,640 issued and 203,366,640 outstanding as of December 31, 2015 and 203,655,411 issued and outstanding as of June 30, 2016	2,036	2,039
Treasury stock, 235,000 and 0 shares at cost at December 31, 2015 and June 30, 2016, respectively	(254)	—
Additional paid-in capital	212,542	215,824
Accumulated deficit	(48,156)	(65,051)
Total stockholders' equity	166,168	152,812
Total liabilities and stockholders' equity	$ 286,750	$282,798

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except share and per share data)

	Six Months Ended June 30,	
	2015	2016
Revenues		
Subscription and support	$ 35,880	$ 52,977
Professional services	1,592	2,610
Total revenues	37,472	55,587
Cost of revenues		
Subscription and support	9,101	12,075
Professional services	1,338	1,928
Total cost of revenues	10,439	14,003
Gross profit	27,033	41,584
Operating expenses		
Sales and marketing	24,954	37,242
Research and development	8,034	10,465
General and administrative	9,052	11,935
Total operating expenses	42,040	59,642
Loss from operations	(15,007)	(18,058)
Other expense:		
Interest expense, net	(1,644)	(1,840)
Change in fair value of the common stock warrant liability	(250)	300
Other expense, net	(1,894)	(1,540)
Loss before income taxes	(16,901)	(19,598)
Benefit from income taxes	(6,109)	(2,722)
Net loss	$ (10,792)	$ (16,876)
Net loss per share, basic and diluted	$ (0.05)	$ (0.08)
Weighted average common shares outstanding, basic and diluted	202,486,866	203,535,687

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
(in thousands, except shares)

	Common Stock		Treasury Stock, at cost	Additional Paid-in Capital	Accumulated Deficit	Total
	Shares Outstanding	Amount				
Balance at December 31, 2015	203,366,640	$ 2,036	$ (254)	$ 212,542	$ (48,156)	$166,168
Stock option exercises	288,771	3	—	299	—	302
Stock-based compensation	—	—	—	3,218	—	3,218
Retirement of treasury stock	—	—	254	(235)	(19)	—
Net loss	—	—	—	—	(16,876)	(16,876)
Balance at June 30, 2016	203,655,411	$ 2,039	$ —	$ 215,824	$ (65,051)	$152,812

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended June 30,	
	2015	2016
Cash flows used in operating activities		
Net loss	$ (10,792)	$ (16,876)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,929	8,334
Accretion of debt discount and paid in kind interest	1,322	1,212
Change in fair value of common stock warrant liability	250	(300)
Change in fair value of contingent consideration	26	143
Stock-based compensation	2,310	3,174
Deferred income taxes	(6,170)	(2,900)
Changes in operating assets and liabilities:		
Accounts receivable	(3,820)	(1,408)
Deferred sales commissions	(1,821)	(61)
Prepaid expenses and other current assets	311	(1,063)
Other assets	(224)	30
Accounts payable	(602)	2,075
Accrued expenses and other current liabilities	2,647	(2,735)
Deferred revenue	6,193	7,751
Other long-term liabilities	2,059	(466)
Net cash used in operating activities	(1,382)	(3,090)
Cash flow used in investing activities		
Capitalized software development costs	(859)	(1,472)
Purchase of property and equipment	(5,204)	(902)
Net cash used in investing activities	(6,063)	(2,374)
Cash flows from financing activities		
Proceeds from long-term debt, net of issuance costs	—	4,840
Principal payments on capital lease obligations	—	(124)
Payments on deferred offering costs	—	(1,112)
Proceeds from exercise of stock options	1,243	302
Net cash provided by financing activities	1,243	3,906
Net decrease in cash and cash equivalents	(6,202)	(1,558)
Cash and cash equivalents, beginning of period	25,707	15,205
Cash and cash equivalents, end of period	$ 19,505	$ 13,647

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
SUPPLEMENTAL CASH FLOW DISCLOSURE
(in thousands)

	Six Months Ended June 30,	
	2015	2016
Supplemental disclosures of cash flow information		
Cash paid for interest	$263	$ 477
Cash paid for income taxes	$ 6	$ 141
Non-cash financing and investing activities		
Capitalized software development costs included in accounts payable and accrued expenses and other current liabilities	$177	$ 82
Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities	$ 69	$ 76
Stock-based compensation capitalized for software development	$ 30	$ 44
Deferred offering costs in accounts payable and accrued expenses and other current liabilities	$ —	$ 1,600
Term loan issuance costs included in accounts payable and accrued expenses and other current liabilities	$ —	$ 80

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 1—Company overview

BlackLine, Inc. and its subsidiaries (the "Company" or "BlackLine") provide financial accounting close solutions delivered as a Software as a Service ("SaaS"). The Company's solutions enable its customers to address various aspects of their financial closing process including account reconciliations, variance analysis of account balances, journal entry capabilities and certain types of data matching capabilities.

The Company is headquartered in Los Angeles, California and has offices in Chicago, Atlanta, New York, Vancouver, London, Paris, Frankfurt, Johannesburg, Sydney, Melbourne, Kuala Lumpur, the Netherlands and Singapore.

Note 2—Basis of presentation and summary of significant accounting policies

The accompanying condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31, 2015. The accompanying condensed consolidated balance sheet as of June 30, 2016, the condensed consolidated statements of operations and of cash flows for the six months ended June 30, 2015 and 2016, and the condensed consolidated statement of stockholders' equity for the six months ended June 30, 2016 are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal recurring items, necessary for the fair statement of the condensed consolidated financial statements. The operating results for the six months ended June 30, 2016 are not necessarily indicative of the results expected for the full year ending December 31, 2016.

There have been no significant changes in the accounting policies from those disclosed in the audited consolidated financial statements and the related notes presented elsewhere in this prospectus.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Segments

Management has determined that the Company has one operating segment. The Company's chief executive officer, who is the Company's chief operating decision maker, reviews financial information on a consolidated and aggregate basis, together with certain operating metrics principally to make decisions about how to allocate resources and to measure the Company's performance.

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Fair value of financial instruments

ASC 820, *Fair Value Measurements* ("ASC 820") require entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1: Quoted prices in active markets for identical or similar assets and liabilities.

Level 2: Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of December 31, 2015 and June 30, 2016, the carrying value of cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value due to the short-term nature of such instruments. The carry value of long-term debt, excluding related debt discounts, approximates its fair value based on rates available to the Company for debt with similar terms and maturities.

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 and June 30, 2016 by level within the fair value hierarchy. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (in thousands):

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$15,990	$ —	$ —	$15,990
Total Assets	15,990	$ —	$ —	$15,990
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,500	$ 5,500
Contingent consideration	—	—	4,867	4,867
Total Liabilities	$ —	$ —	$10,367	$10,367

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$12,000	$ —	$ —	$12,000
Total Assets	$12,000	$ —	$ —	$12,000
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,200	$ 5,200
Contingent consideration	—	—	5,010	5,010
Total Liabilities	$ —	$ —	$10,210	$10,210

There were no changes to the valuation techniques used to measure asset and liability fair values on a recurring basis during the six months ended June 30, 2016 from those included in the audited consolidated financial statements presented elsewhere in this prospectus.

The following table summarizes the changes in the common stock warrant liability and contingent consideration liability (in thousands):

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of December 31, 2014	$ 4,826	$ 5,080
Change in fair value	26	250
Fair value as of June 30, 2015	$ 4,852	$ 5,330

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of December 31, 2015	$ 4,867	$ 5,500
Change in fair value	143	(300)
Fair value as of June 30, 2016	$ 5,010	$ 5,200

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Net loss per share

Basic and diluted loss per share is calculated by dividing net loss by the weighted average number of shares of common stock outstanding. As the Company has net losses for the periods presented all potentially dilutive common stock, which are comprised of stock options and warrants, are antidilutive.

As of June 30, 2015 and 2016, the following potentially dilutive shares have been excluded from the calculation of diluted net loss per share attributable to common stockholders because they are anti-dilutive:

	June 30,	
	2015	2016
Options to purchase common stock	27,417,884	29,570,809
Common stock warrants	2,500,000	2,500,000
Total shares excluded from net loss per share	29,917,884	32,070,809

Comprehensive income or loss

ASC 220, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive income or loss and its components in the financial statements. For the six months ended June 30, 2015 and 2016, the Company had no other comprehensive income (loss) items and therefore, comprehensive loss equaled net loss. Accordingly, a separate statement of comprehensive loss has not been presented.

Recently issued accounting standards

Under the Jumpstart Our Business Startups Act, or the JOBS Act, the Company meets the definition of an emerging growth company. The Company has irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued guidance related to revenue from contracts with customers. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The updated standard will replace all existing revenue recognition guidance under GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In July 2015, the FASB voted to defer the effective date to January 1, 2018, with early adoption beginning January 1, 2017. In March, April and May 2016, the FASB issued additional amendments to the new revenue guidance relating to reporting revenue on a gross versus net basis, identifying performance obligations and licensing arrangements, and other narrow scope improvements. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

In April 2015, the FASB issued new guidance related to the customer’s accounting for fees paid in a cloud computing arrangement, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

arrangement does not include a software license, the customer should account for the arrangement as a service contract. This guidance was effective for annual reporting periods beginning after December 15, 2015. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued new guidance which significantly changes the accounting for leases. The new guidance requires a lessee recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. For income statement purposes, the new guidance retained a dual model, requiring leases to be classified as either operating or financing. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern similar to existing capital lease guidance. For statement of cash flow purposes, the new guidance also retained the existing dual method, where cash payments for operating leases are reflected in cash flows from operating activities and principal and interest payments for finance leases are reflected in cash flows from financing activities and cash flows from operating activities, respectively. The new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The new guidance requires the recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective approach. The use of the modified retrospective approach allows an entity to use a number of practical expedients in the application of this new guidance. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

In March 2016, the FASB issued new guidance to simplify various aspects relating to accounting for stock-based compensation and related tax impacts, the classification of excess tax benefits on the statement of cash flows, statutory tax withholding requirements and other stock based compensation classification matters. The guidance is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. All of the amendments in the new guidance must be adopted in the same period. The Company is evaluating the impact of this guidance on its consolidated financial statements. The Company plans to adopt this guidance during the first quarter ended March 31, 2017.

In August 2016, the FASB issued cash flow guidance which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including presentation of cash flows relating to contingent consideration payments, debt prepayment and debt extinguishment costs, among other matters. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If adopted in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The adoption of this guidance should be applied using a retrospective transition method to each period presented, unless impracticable to do so. We are evaluating the impact of this guidance on our consolidated statement of cash flows.

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note 3—Accrued expenses and other current liabilities

As of December 31, 2015 and June 30, 2016, accrued expenses and other current liabilities comprise the following (in thousands):

	December 31, 2015	June 30, 2016
Accrued salary and employee benefits	$ 9,716	$ 7,724
Accrued income and other taxes payable	1,047	1,003
Short-term portion of capital lease	558	558
Accrued commissions to third-party partners	2,305	1,634
Deferred offering costs	419	105
Other accrued expenses	967	1,524
	$ 15,012	$12,548

Note 4—Term loan, net

In March 2016, the Company amended its credit facility to add an additional $5.0 million term loan (the "2016 Incremental Term Loan") and provide for a $5.0 million revolving line of credit. The additional $5.0 million borrowing under the 2016 Incremental Term Loan and the revolving line of credit each mature in September 2018. The 2016 Incremental Term Loan bears interest at (i) the greater of LIBOR or 1.5% plus (ii) 8% and can be paid in varying amounts in cash or in kind. The revolving line of credit bears interest at (i) the greater of LIBOR or 0.5% plus (ii) 6%. The Company is also required to pay a commitment fee equal to 0.5% per annum of the unused portion of the revolving line of credit. No amounts were outstanding under the revolving line of credit at June 30, 2016.

The net carrying value of the Company's borrowings under its term loans as of December 31, 2015 and June 30, 2016 consists of the following (in thousands):

	December 31, 2015	June 30, 2016
Principal amount (including interest paid in kind)	$ 29,648	$35,736
Unamortized debt issuance costs and debt discount	(627)	(721)
Unamortized common stock warrant liability discount	(754)	(616)
Net carrying value	$ 28,267	$34,399

The credit facility is collateralized against all of the Company's assets. In connection with certain events, including a change in control, or if the Company elects to repay the amounts outstanding under the term loans, the Company is required to pay a prepayment penalty.

Note 5—Commitments and contingencies

Operating Leases—The Company has various non-cancelable operating leases for its corporate and international offices. These leases expire at various times through 2023. Certain lease agreements contain renewal options, rent abatement, and escalation clauses and entitle the Company to receive a tenant allowance from the landlord. The Company records tenant allowances as a deferred rent credit, which the Company amortizes on a straight-line basis, as a reduction of rent expense, over the term of the underlying lease.

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

***Contingent Consideration*—**On September 3, 2013, BlackLine Systems, Inc. was acquired by BlackLine, Inc. (the "Acquisition"). In conjunction with the Acquisition, option holders of BlackLine Systems, Inc. were allowed to cancel their stock option rights and receive a cash payment equal to the amount of calculated gain (less applicable expense and other items) had they exercised their stock options and then sold their common shares as part of the Acquisition. As a condition of the Acquisition, the Company is required to pay additional cash consideration to certain equity holders if the Company realizes a tax benefit from the use of net operating losses generated from the stock option exercises concurrent with the Acquisition. The maximum contingent cash consideration to be distributed is $8.0 million. The fair value of the contingent consideration was $4.9 million and $5.0 million as of December 31, 2015 and June 30, 2016, respectively.

Litigation—From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Company is not currently a party to any legal proceedings, nor is it aware of any pending or threatened litigation, that would have a material adverse effect on the Company's business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

Indemnification—In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor have it been sued in connection with these indemnification arrangements. As of December 31, 2015 and June 30, 2016, the Company has not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

Note 6—Stock Options

A summary of the Company's stock option activity and related information for the six months ended June 30, 2016 is as follows:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2015	29,521,884	$ 1.72
Granted	1,181,750	3.00
Exercised	(288,771)	1.06
Forfeited	(844,054)	1.96
Outstanding, June 30, 2016	29,570,809	$ 1.77
Exercisable at June 30, 2016	9,814,271	$ 1.45
Vested and expected to vest at June 30, 2016	26,798,971	$ 1.77

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The table below sets forth information regarding stock options granted subsequent to December 31, 2015:

Grant Date	Number of Shares	Exercise Price at Grant Date	Estimated per Share Fair Value of Common Stock at Grant Date
March 9, 2016	857,500	$ 3.00	$ 2.80
May 18, 2016	324,250	$ 3.00	$ 2.90
September 2, 2016	480,250	$ 3.20	$ 3.20

Stock-based compensation expense for stock option awards for the six months ended June 30, 2015 and 2016 were as follows (in thousands):

	Six Months Ended June 30,	
	2015	2016
Cost of revenue	$ 225	$ 275
Sales and marketing	1,145	1,333
Research and development	260	334
General and administrative	680	1,232
	$2,310	$3,174

Note 7—Income Taxes

The Company uses an effective tax rate approach for calculating its tax benefit for the six months ended June 30, 2015 and 2016. The effective tax rate for the six months ended June 30, 2016 differs from the U.S. Federal statutory rate of 34% primarily because of state taxes, net of federal benefit, and valuation allowance for U.S. federal and state income taxes. The effective tax rate for six months ended June 30, 2015 differs from the U.S. federal statutory rate of 34% primarily as a result of state taxes, net of federal benefit, foreign taxes and a valuation allowance on State of California net deferred tax assets.

The Company records a valuation allowance against its deferred tax assets to the extent that realization of the deferred tax assets, including consideration of its deferred tax liabilities, is not more likely than not. For the year ending December 31, 2016, for both federal and state income taxes, the Company's deferred assets are estimated to exceed its deferred tax liabilities and because of the Company's recent history of operating losses the Company believes that the realization of the deferred tax assets is currently not more likely than not. Accordingly, the Company has recorded a valuation allowance against its federal and state deferred tax assets. Taxes for international operations are not material for the six months ended June 30, 2015 and 2016.

Note 8—Subsequent Events

The Company has evaluated subsequent events through September 8, 2016, which is the date the condensed consolidated financial statements were available to be issued.

On August 31, 2016, the Company completed the acquisition of 100% of the outstanding equity of Runbook Company BV, a Netherlands-based privately-held company that provides financial close

BLACKLINE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

automation software solutions to SAP customers. The total purchase price for the acquisition was $34 million, subject to final working capital adjustments, which was paid in cash. The estimated purchased working capital includes approximately $3 million in cash. A portion of the purchase price of $3.1 million was paid into escrow for indemnification obligations relating to potential breach of representations and warranties of the sellers and any amounts remaining in escrow after satisfaction of any resolved claims, will be released from escrow on the one-year anniversary of the acquisition. Given the timing of the completion of the acquisition, the Company is currently in the process of valuing the assets acquired and liabilities assumed in the acquisition. As a result, the Company is unable to provide the amounts recognized as of the acquisition date for the major classes of assets acquired and liabilities assumed and certain pro forma and other disclosures.

The Company financed the purchase price through proceeds from an amendment to the Company's existing credit facility and cash on hand. The Company borrowed $30.0 million which is repayable on September 25, 2018. The Company is also subject to a prepayment penalty of 2.0% if these proceeds are repaid on or prior to September 25, 2017 and 1.0% if repaid after September 25, 2017 and prior to March 25, 2018. The interest rate, collateral, maturity date, and covenants of the amended credit facility are subject to the same terms and conditions as the Term Loan (See Note 4—Term Loan).

In September 2016, the Company granted stock options to purchase 480,250 shares of common stock at an exercise price of $3.20. The grant date fair value of these awards was approximately $0.7 million, which is expected to be recognized to expense, net of forfeitures, over the vesting period of 4 years.

The Company sold 960,938 shares of common stock to Runbook employees in September 2016 for $3.1 million in the aggregate.

Shares

BlackLine, Inc.

Common Stock

Goldman, Sachs & Co. **J.P. Morgan**

Pacific Crest Securities **Raymond James** **William Blair** **Baird**
a division of KeyBanc Capital Markets

Through and including , 2016 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

Estimated costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered under this registration statement are as follows:

	Amount to be Paid
SEC registration fee	$ *
FINRA filing fee	*
Exchange listing fee	*
Blue sky fees and expenses	*
Printing and engraving	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous fees and expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

On completion of this offering, our amended and restated certificate of incorporation will contain provisions that eliminate, to the maximum extent permitted by the General Corporation Law of the State of Delaware, the personal liability of our directors and executive officers for monetary damages for breach of their fiduciary duties as directors or officers. Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we must indemnify our directors and executive officers and may indemnify our employees and other agents to the fullest extent permitted by the General Corporation Law of the State of Delaware.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation may indemnify any person made a party to an action by reason of the fact that he or she was a director, executive officer, employee or agent of the corporation or is or was serving at the request of a corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation.

We have entered into indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our amended and restated certificate of incorporation and amended and restated bylaws, and intend to enter into indemnification agreements with any new directors and executive officers in the future.

We have purchased and intend to maintain insurance on behalf of each and any person who is or was one of our directors or officers against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

The Underwriting Agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of us and our executive officers and directors for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act.

See also the undertakings set out in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities.

Since our formation on August 5, 2013 through June 30, 2016, we have made the following sales of unregistered securities:

1. Common Stock Issuances

In September 2013, we issued and sold an aggregate of 143,550,000 shares of our common stock to four investors at $1.00 per share, for aggregate gross cash proceeds of $143,550,000. We issued an aggregate of 56,450,000 shares of our common stock to 16 stockholders in exchange for all the issued and outstanding shares of BlackLine Systems, Inc., in connection with the Acquisition.

On October 21, 2014, we issued 1,785,714 shares of our common stock to one investor at $2.80 per share, for aggregate gross cash proceeds of $5,000,000.

2. Warrant Issuance

On September 25, 2013, in conjunction with our $25,000,000 term loan, we issued warrants to purchase up to an aggregate of 2,500,000 shares of our common stock at an exercise price of $1.00 per share. The warrants have an exercise period of ten years, and may be exercised in cash or through a cashless exercise, in which case the holder will receive a number of shares having a value net of the exercise price.

3. Option Plan Grants and Exercises

Since our formation on August 5, 2013 through June 30, 2016, we granted to our officers, directors, employees, consultants, and other service providers options to purchase an aggregate of 34,531,134 shares of common stock under our 2014 Equity Incentive Plan at exercise prices ranging from $1.00 to $3.00 per share. Of the options granted, options to purchase 1,000,000 shares of common stock were granted to two non-employee directors at exercise prices of $1.00 and $2.90 per share, options to purchase 6,300,884 shares of common stock were granted to three executives at exercise prices ranging from $1.00 to $2.90 per share and options to purchase 27,230,250 shares of common stock were granted to 564 other employees and consultants at exercise prices ranging from $1.00 to $3.00 per share.

Since our formation on August 5, 2013 through June 30, 2016, we issued and sold to 66 employees and consultants and other service providers an aggregate of 1,704,697 shares of common stock upon exercise of options under our 2014 Equity Incentive Plan at a weighted average exercise price of $1.03 per share.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering.

The offers, sales and issuances of the securities described in this Item 15 were deemed to be exempt from registration under the Securities Act under either (1) Rule 701 promulgated under the Securities Act as offers and sales of securities pursuant to certain compensatory benefit plans and contracts relating to compensation in compliance with Rule 701 or (2) Section 4(a)(2) of the Securities

Act as transactions by an issuer not involving any public offering. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the stock certificates and instruments issued in such transactions. All recipients had adequate access, through their relationships with us, to information about us.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

See the Exhibit Index immediately following the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules.

"Schedule I—Condensed Parent Company Financial Information" is filed as part of this registration statement and is incorporated herein by reference.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Woodland Hills, State of California, on September 30, 2016.

BlackLine, Inc.

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Therese Tucker and Mark Partin, jointly and severally, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, and full power to act without the other, for such person and in such person's name, place and stead and to execute in the name and on behalf of such person, individually and in each capacity stated below, and to file this Registration Statement on Form S-1 of BlackLine, Inc. and any or all amendments (including post-effective amendments) thereto, and any registration statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated below:

Signature	Title	Date
/s/ Therese Tucker Therese Tucker	Chief Executive Officer and Director (Principal Executive Officer)	September 30, 2016
/s/ Mark Partin Mark Partin	Chief Financial Officer	September 30, 2016
/s/ Patrick Villanova Patrick Villanova	Controller (Principal Accounting Officer)	September 30, 2016
/s/ Jason Babcoke Jason Babcoke	Director	September 30, 2016
/s/ John Brennan John Brennan	Director	September 30, 2016

Signature	Title	Date
/s/ William Griffith William Griffith	Director	September 30, 2016
/s/ Hollie Haynes Hollie Haynes	Director	September 30, 2016
/s/ Graham Smith Graham Smith	Director	September 30, 2016
/s/ Mario Spanicciati Mario Spanicciati	Director	September 30, 2016
/s/ Thomas Unterman Thomas Unterman	Director	September 30, 2016

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EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement.
2.1	Agreement and Plan of Merger, by and among SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc., SLS Breeze Merger Sub, Inc. and BlackLine Systems, Inc., dated as of August 9, 2013.
3.1	Second Amended and Restated Certificate of Incorporation, as amended and currently in effect.
3.2*	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation, effecting a one-for- reverse stock split, to be effective prior to the completion of this offering.
3.3	Form of Amended and Restated Certificate of Incorporation to be effective upon completion of this offering.
3.4	Amended and Restated Bylaws, as amended and currently in effect.
3.5	Form of Amended and Restated Bylaws to be effective upon completion of this offering.
4.1	Specimen Common Stock Certificate of the Company.
4.2	Warrant to Purchase Stock held by Special Value Continuation Partners, LP, dated as of September 25, 2013.
4.3	Warrant to Purchase Stock held by Tennenbaum Opportunities Fund VI, LLC, dated as of September 25, 2013.
4.4	Warrant to Purchase Stock held by Tennenbaum Senior Loan Fund II, LP, dated as of September 25, 2013.
4.5	Warrant to Purchase Stock held by Tennenbaum Senior Loan SPV III, LLC, dated as of September 25, 2013.
4.6	Warrant to Purchase Stock held by Tennenbaum Senior Loan Fund IV-B, LP, dated as of September 25, 2013.
4.7	Subscription Agreement, by and between the Company and Iconiq, dated as of October 21, 2014.
4.8	Form of Amended and Restated Stockholders' Agreement, by and among the Company, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati, to be effective upon completion of this offering.
4.9	Form of Amended and Restated Registration Rights Agreement, by and among the Company, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati, to be effective upon completion of this offering.
5.1*	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
10.1†	Software Development Cooperation Agreement, by and between the Company and SAP AG, effective as of October 1, 2013.
10.2†	Credit Agreement, by and among the Company, the lenders party thereto and Obsidian Agency Services, Inc., dated as of September 25, 2013.
10.3	First Amendment and Waiver to Credit Agreement, by and among the Company, the lenders party thereto and Obsidian Agency Services, Inc., dated as of September 1, 2015.
10.4†	Second Amendment and Waiver to Credit Agreement, by and among the Company, the lenders party thereto and Obsidian Agency Services, Inc., dated as of March 22, 2016.
10.5	Third Amendment to Credit Agreement, by and among the Company, the lenders party thereto and Obsidian Agency Services, Inc., dated as of August 30, 2016.
10.6+	2014 Equity Incentive Plan and form of equity agreements thereunder.
10.7+	Amendment No. 1 to the 2014 Equity Incentive Plan.
10.8+	Amendment No. 2 to the 2014 Equity Incentive Plan.
10.9+	Amendment No. 3 to the 2014 Equity Incentive Plan.
10.10+	2016 Equity Incentive Plan and form of equity award agreements thereunder, to be in effect one business day prior to the effective date of the registration statement of which this prospectus forms a part.

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Exhibit Number	Description of Document
10.11+	Employee Incentive Compensation Plan of the Company.
10.12+	Form of 2015 Executive Officer Bonus Plan.
10.13+	Form of Change of Control and Severance Policy.
10.14+	Executive Employment Agreement, by and between the Company and Therese Tucker, effective as of January 1, 2016.
10.15+	2015 Chief Executive Officer (CEO) Bonus Plan, by and between the Company and Therese Tucker, dated as of February 5, 2016.
10.16+	Employment Offer Letter, by and between the Company and Karole Morgan-Prager, dated as of May 4, 2015.
10.17+	2015 Chief Legal Officer (CLO) Bonus Plan, by and between the Company and Karole Morgan-Prager, dated as of December 29, 2015.
10.18+	Confirmatory Offer Letter, by and between the Company and Karole Morgan-Prager, dated as of September 29, 2016.
10.19+	Employment Offer Letter, by and between the Company and Mark Partin, dated as of December 25, 2014.
10.20+	Confirmatory Offer Letter, by and between the Company and Mark Partin, dated as of September 29, 2016.
10.21+	Confirmatory Offer Letter, by and between the Company and Chris Murphy, dated as of September 29, 2016.
10.22+	Form of Indemnification Agreement by and between the Company and each of its directors and executive officers.
10.23	Restrictive Covenant Agreement, by and between the Company and Therese Tucker, dated as of August 8, 2013.
10.24	Restrictive Covenant Agreement, by and between the Company and Mario Spanicciati, dated as of August 9, 2013.
10.25†	Office Lease, by and between the Company and Douglas Emmet 2008, LLC, dated November 22, 2010.
10.26†	First Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated August 14, 2012.
10.27†	Second Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated December 26, 2013.
10.28†	Third Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated June 24, 2014.
10.29	Fourth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated January 29, 2015.
16.1	Letter on Change in Certifying Accountant.
21.1	List of subsidiaries of the Company.
23.1	Consent of Independent Registered Public Accounting Firm.
23.2*	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1).
23.3	Consent of Frost & Sullivan.
24.1	Power of Attorney (included in signature pages hereto).

* To be filed by amendment.
\+ Indicates management contract or compensatory plan.
† Portions of this exhibit have been omitted pursuant to a confidential treatment request. Omitted information has been separately filed with the SEC.

Exhibit 2.1

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

SLS BREEZE HOLDINGS, INC.,

SLS BREEZE INTERMEDIATE HOLDINGS, INC.,

SLS BREEZE MERGER SUB, INC.,

AND

BLACKLINE SYSTEMS, INC.

Dated as of August 9, 2013

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of August 9, 2013, by and among SLS Breeze Holdings, Inc., a Delaware corporation ("Parent"); SLS Breeze Intermediate Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Intermediate Corp"), SLS Breeze Merger Sub, Inc., a California corporation and a wholly owned subsidiary of Intermediate Corp ("Merger Sub"), and BlackLine Systems, Inc., a California corporation (the "Company").

RECITALS

WHEREAS, each of the respective boards of directors of Parent, Intermediate Corp, Merger Sub and the Company have declared advisable and approved this Agreement and the merger of Merger Sub with and into the Company on the terms and conditions contained herein (the "Merger") and in accordance with the California General Corporation Law, Sections 100 *et seq*. (the "CGCL");

WHEREAS, the holders of a majority of the issued and outstanding shares of Common Stock (as defined herein), have approved this Agreement and the Merger by written consent in accordance with the CGCL (the "Company Shareholder Approval");

WHEREAS, in connection with the transactions contemplated hereby, prior to the Effective Time, Therese Tucker, Mario Spanicciati, and any other Rollover Stockholders will contribute certain shares of Common Stock to Parent pursuant to the Contribution and Exchange Agreement (the "Contribution"); and

WHEREAS, in connection with the transactions contemplated hereby, Therese Tucker, Mario Spanicciati, Dominick DiPaolo, Jeff Adler, Greg Burns, Justin Byers, James Baez-Silva, Charlie Reyerson Gaulke and David Adler have each entered into certain restrictive covenant agreements, each dated as of the date hereof and effective as of the Closing Date, with Parent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, agreements and conditions contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms. For the purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

"Affiliate" means, with respect to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

"Aggregate Closing Consideration" means an amount in cash equal to the Total Purchase Price, plus the Executive Note Amount, minus the Closing Adjustment, minus the Closing Date Disbursements.

"Aggregate Merger Consideration" means an amount in cash equal to the Common Stock Merger Consideration, plus the Option Merger Consideration.

"Agreement" has the meaning ascribed to it in the Preamble hereto.

"Agreement of Merger" has the meaning ascribed to it in Section 2.3.

"Alternative Transaction" means a transaction, or series of related transactions, other than the transactions contemplated hereby involving (i) the acquisition of a material portion of the assets of the Company and its Subsidiaries, taken as a whole, (ii) the acquisition of beneficial ownership of a material portion of the outstanding equity securities of the Company, (iii) a tender offer or exchange offer that, if consummated, would result in any Person beneficially owning a material portion of any class of outstanding equity securities of the Company, or (iv) any merger, consolidation or other business combination, recapitalization or similar transaction.

"Auction" means the process undertaken by the Company involving the potential disposition to one or more competing bidders of all or a portion of the equity interests in the Company and/or the potential investment by one or more potential investors in securities of the Company.

"Balance Sheet Date" has the meaning ascribed to it in Section 4.6.

"Business" means the business conducted by the Company and its Subsidiaries.

"Business Day" means any day other than a Saturday or a Sunday or a day on which banks located in Los Angeles, California, generally are authorized or required by Law to close.

"Bylaws" has the meaning ascribed to it in Section 2.6.

"Certificates" has the meaning ascribed to it in Section 3.4(b).

"CGCL" has the meaning ascribed to it in the Recitals hereto.

"Charter" has the meaning ascribed to it in Section 2.5.

"Closing" has the meaning ascribed to it in Section 2.2.

"Closing Adjustment" has the meaning ascribed to it in Section 3.6.

"Closing Date" has the meaning ascribed to it in Section 2.2.

"Closing Bonuses" means an aggregate of up to Two Million Eight Hundred Thousand Dollars ($2,800,000) (including the impact of Three Hundred Thousand Dollars ($300,000) of Taxes) of cash bonuses or other retention measures payable or deliverable by the Company to its employees at or prior to the Closing, or during the sixty (60) day period thereafter.

"Closing Date Disbursements" means the sum of (i) the Company Transaction Expenses paid by Intermediate Corp pursuant to Section 2.4, (ii) the Escrow Amount, and (iii) the Note Payment.

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

"Common Stock" means common stock, no par value per share, of the Company.

"Common Stock Closing Consideration" means an amount in cash equal to (i) the Aggregate Closing Consideration, plus the aggregate amount of the per share exercise price of all Options issued and outstanding as of immediately prior to the Effective Time, all divided by (ii) the aggregate number of shares of Common Stock issued and outstanding, or issuable subject to Options, as of immediately prior to the Effective Time, in each case, excluding the shares of Common Stock subject to the Contribution, as set forth in the certificate contemplated by Section 6.13.

"Common Stock Escrow Amount" means an amount in cash equal to (i) the Returned Escrow Amounts, if any, divided by (ii) the aggregate number of shares of Common Stock issued and outstanding, or issuable subject to Options, as of immediately prior to the Effective Time, as set forth in the certificate contemplated by Section 6.13.

"Common Stock Merger Consideration" has the meaning ascribed to it in Section 3.1(b).

"Company" has the meaning ascribed to it in the Preamble hereto.

"Company Disclosure Schedules" means the disclosure schedules to this Agreement delivered by the Company to Parent as of the date hereof.

"Company Financial Statements" has the meaning ascribed to it in Section 4.6.

"Company Fund" has the meaning ascribed to it in Section 3.4(a).

"Company Indebtedness" means, without duplication, all Indebtedness of the Company and its Subsidiaries as of the Closing.

"Company Shareholder Approval" has the meaning ascribed to it in the Recitals.

"Company Shareholders" means the holders of Common Stock as of immediately prior to the Effective Time.

"Company Shareholders' Representative" has the meaning ascribed to it in Section 11.17.

"Company Stock Plan" means the Company's 2005 Stock Option Plan, as amended and restated.

"Company Transaction Expenses" means the fees and expenses of Munger, Tolles & Olson LLP and Evercore Capital Partners incurred in connection with the transactions contemplated by this Agreement (including the employer portion of any payroll Taxes payable with respect to the Option Merger Consideration), and all other costs, fees and expenses incurred by the Company or any of its Subsidiaries in connection with this Agreement and the consummation (or the preparation for the consummation) of the transactions contemplated hereby and the Auction and any alternative transaction considered or pursued in connection therewith, in each case to the extent unpaid as of the Closing.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of April 22, 2013, by and between BlackLine Systems, Inc. and Silver Lake Management Company Sumeru, L.L.C.

"Consent" means the consent or approval of a third-party Person, except, for the avoidance of doubt, for Governmental Approvals.

"Continuing Employee" has the meaning ascribed to it in Section 6.5(a).

"Contract" means any written agreement, contract, instrument or legally binding commitment.

"Contribution" has the meaning ascribed to it in the Recitals.

"Contribution and Exchange Agreement" means that certain Contribution and Exchange Agreement, dated as of the date hereof, by and among Parent, Silver Lake Sumeru Fund, L.P., Iconiq Strategic Partners, L.P., and the Rollover Stockholders.

"Credit Facility" means that certain Loan and Security Agreement, dated April 19, 2011, by and the Company and Silicon Valley Bank, as amended**.**

"Damages" has the meaning ascribed to it in Section 10.2(d).

"Dissenters Costs" means the amount, if any, by which (a) the amount paid to holders of Dissenting Shares that have perfected (and not waived, withdrawn or otherwise lost) their rights pursuant to Chapter 13 of the CGCL exceeds (b) the portion of the Aggregate Closing Consideration that would have been paid to such holders pursuant to the terms of this Agreement with respect to such Dissenting Shares if no demand for appraisal had been made by the holders of such shares.

"Dissenting Shares" has the meaning ascribed to it in Section 3.2.

"DOJ" has the meaning ascribed to it in Section 6.2(a).

"Effective Time" has the meaning ascribed to it in Section 2.3.

"Employee" means an employee of the Company or any of its Subsidiaries.

"Employee Benefit Plan"means (i) each "employee benefit plan" (within the meaning of Section 3(3) of ERISA) and (ii) each other pension, retirement, deferred compensation, excess benefit, profit sharing, bonus, incentive, equity or equity-based, employment, consulting, severance, change-of-control, retention, health, life, disability, group insurance, vacation, holiday and material fringe benefit plan, program, contract, or arrangement (whether written or unwritten, qualified or nonqualified, funded or unfunded), in any case, maintained, contributed to, or required to be contributed to, by the Company or any of its Subsidiaries for the benefit of any current or former employee, director, officer or independent contractor of the Company or any of its Subsidiaries or under which the Company or any of its Subsidiaries has any liability, but in all cases, excluding any multiemployer plan, as described in Section 3(37) of ERISA and any plan maintained by a Governmental Authority.

"Equity Holders" means the Company Shareholders and the Option Holders.

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

"Escrow & Exchange Agent" means Wells Fargo Bank, National Association.

"Escrow Account" has the meaning ascribed to it in Section 3.5.

"Escrow Agreement" means that certain Escrow Agreement, in the form of Exhibit A, by and between Parent, Intermediate Corp, the Company Shareholders' Representative and the Escrow & Exchange Agent, with respect to the Escrow Amount.

"Escrow Amount" means an amount in cash equal to Ten Million Dollars ($10,000,000).

"Escrow Release Date" has the meaning ascribed to it in Section 3.5.

"Exchange Fund" has the meaning ascribed to it in Section 3.4(a).

"Executive Note Amount" means the aggregate amount (including accrued and unpaid interest) of the notes payable to the Company by the Company Shareholders listed on Section 1.1(A) of the Company Disclosure Schedules in the amounts (including as to accrued and unpaid interest) for each such Company Shareholder as set forth on Section 1.1(A) of the Company Disclosure Schedules (such notes, the "Executive Notes").

"Existing D&O Policies" has the meaning ascribed to it in Section 6.8(b).

"FTC" has the meaning ascribed to it in Section 6.2(a).

"Future Proceedings" has the meaning ascribed to it in Section 11.18.

"GAAP" means U.S. generally accepted accounting principles as in effect from time to time, consistently applied.

"Government Conditions" has the meaning ascribed to it in Section 6.2(b).

"Governmental Approval" means an authorization, consent, approval, certification, permit or license of, or a filing, registration or qualification with, a Governmental Authority.

"Governmental Authority" means any foreign, federal, state, or local court or other governmental or regulatory authority, agency or body exercising executive, legislative, judicial, or regulatory functions.

"Governmental Prohibition" has the meaning ascribed to it in Section 7.3.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"HSR Fees" means the filing fees in connection with any filings required under the HSR Act.

"Indebtedness" means, as of any date of determination, without duplication, (i) all indebtedness of a Person for borrowed money or in respect of loans or advances, (ii) all obligations of a Person evidenced by bonds, notes, debentures, letters of credit, bankers acceptances or similar instruments, (iii) all obligations of a Person to pay the deferred purchase price of property or services with respect to which such Person is liable, contingently or otherwise, as obligor or otherwise (but excluding trade account payables), (iv) all liabilities and obligations arising from deferred compensation arrangements and all liabilities and obligations under severance plans or arrangements, bonus plans or similar arrangements, in each case payable solely as a result of the consummation of the transactions contemplated hereby (except for the Closing Bonuses, to the extent paid at or prior to Closing), (v) all guarantees of any of the foregoing or any other indebtedness guaranteed in any manner by a Person (including guarantees in the form of an agreement to repurchase or reimburse), and (vi) all accrued interest, prepayment premiums or penalties related to the payment of each of the foregoing.

"Indemnified D&O Parties" has the meaning ascribed to it in Section 6.8(a).

"Indemnified Party" has the meaning ascribed to it in Section 10.2(c).

"Indemnifying Party" has the meaning ascribed to it in Section 10.2(c).

"Insured Parties" has the meaning ascribed to it in Section 6.8(b).

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures (including design patents, design rights, utility models and other similar registered rights); (ii) trademarks, service marks, trade dress, trade names, corporate names, logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing) and Internet domain names, together with all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works; (iv) registrations and applications for any of the foregoing; (v) trade secrets, know-how and inventions, including algorithms; and (vi) software, but expressly excluding any "off the shelf," "click wrap," and commercially available software and software services.

"Knowledge" means the actual knowledge of (i) with respect to the Company, Therese Tucker, Mario Spanicciati, Chuck Best, Michael Rauch, Trish Burr and Dominick DiPaolo, (ii) with respect to any other entities, the executive officers of such entity, and (iii) with respect to any individuals, such individual.

"Latest Balance Sheet Date" has the meaning ascribed to it in Section 4.6.

"Laws" means any and all foreign, federal, state, or local statutes, codes, orders, ordinances, rules and regulations enacted, promulgated or issued and put into effect by a Governmental Authority with appropriate authority.

"Leased Real Property" means all leasehold or subleasehold estates held by the Company or any of its Subsidiaries.

"Liens" mean any security interests, liens, pledges, mortgages, deeds of trust, or charges.

"Major Contract" has the meaning ascribed to it in Section 4.9(a).

"Material Adverse Effect" means any change, effect, event or occurrence that is or would reasonably be expected to be, individually or when taken together with all other changes, effects, events or occurrences, materially adverse to (i) the validity or enforceability of this Agreement or the transactions contemplated hereby or (ii) the business, condition (financial or otherwise) or results of operations of the Business, taken as a whole, other than any effect arising from or related to (a) general business, economic, political, social, legal or regulatory conditions, events or changes, (b) the industry in which the Company and its Subsidiaries operate, (c) financial, banking or securities markets (including any disruption thereof), (d) changes in applicable Law or GAAP (or interpretations thereof), (e) outbreak of hostilities, terrorist attack (whether against a nation or otherwise), war, or natural disasters, (f) any failure by the Company or its Subsidiaries to meet any estimates or projections (provided that the facts and circumstances underlying any such failure may, except as provided in clauses (a), (b), (c),

(d), (e), (g) or (h) of this definition, be considered in determining whether a Material Adverse Effect has occurred), (g) the announcement or pendency of the Auction, this Agreement or the transactions contemplated hereby, including any effect arising from or relating to the identity of Parent, Intermediate Corp or Merger Sub (or their respective Affiliates), or (h) the performance or consummation of the transactions contemplated hereby; provided, that, that in the case of the foregoing clauses (a), (b), (c), (d), and (e), such matters do not adversely affect the Company and its Subsidiaries (taken as a whole) in a materially disproportionate manner relative to other companies operating in the industries in which the Company and its Subsidiaries operate.

"Material Software" means all proprietary computer programs and software, whether in source, executable code, binary code, and object code, including related documentation and data, developed by or for the Company, comprising the "BlackLine Financial Close Suite" product, including all prior, current, and in-process versions and releases, but expressly excluding any "off the shelf," "click wrap," and commercially available software and software services; provided, however, that for purposes of Section 4.14(f) of this Agreement, "Material Software" shall not include any prior versions or releases.

"Merger Sub" has the meaning ascribed to it in the Preamble.

"Merrill Datasite" means the information contained in the virtual data room made available to Parent, Intermediate Corp and their Affiliates and/or their respective Representatives, as of 5:00 p.m. (Los Angeles time) on the Business Day prior to the date hereof, including the documents, questions and answers, and other data posted thereon as of such time and date, as well as any other documents otherwise made available to the extent included on any index included in such virtual data room as of such time and date.

"Note" has the meaning ascribed to it in Section 2.4.

"Note Payment" has the meaning ascribed to it in Section 2.4.

"Option" means an option granted under the Company Stock Plan (whether or not then vested or exercisable) that represents the right to acquire shares of Common Stock.

"Option Closing Consideration" means, with respect to each share of Common Stock subject to an Option, an amount in cash equal to the Common Stock Closing Consideration, minus the applicable per share exercise price.

"Option Holders" means the holders of outstanding Options under the Company Stock Plan.

"Option Merger Consideration" has the meaning ascribed to it in Section 3.3.

"Order" means any order, injunction, judgment, decree, ruling, or writ of a Governmental Authority.

"Ordinary Course of Business" means the conduct of the Business in a manner substantially consistent with past practice.

"Outside Date" has the meaning ascribed to it in Section 9.1(b).

"Parent" has the meaning ascribed to it in the Preamble hereto.

"Parent Indemnified Parties" has the meaning ascribed to it in Section 10.2(a).

"Paying Agent Agreement" means that certain Paying Agent Agreement, in the form of Exhibit B, by and between Parent, Intermediate Corp, the Company Shareholders' Representative and the Escrow & Exchange Agent, with respect to the payment of the Common Stock Merger Consideration.

"Permitted Exceptions" means (i) any Liens for Taxes that are not yet due and payable, that are not yet subject to penalties for delinquent nonpayment, or that are being contested in good faith by appropriate proceedings and for which adequate reserves are maintained in accordance with GAAP, (ii) any Liens in favor of vendors, carriers, warehousemen, repairmen, mechanics, workmen, materialmen, construction or similar Liens arising by operation of law or in the Ordinary Course of Business that do not, individually or in the aggregate, materially impair the current use and enjoyment of any material property or asset of the Company and its Subsidiaries, (iii) any zoning, building code, land use, planning, entitlement, environmental or similar Laws or regulations imposed by any Governmental Authority that do not, individually or in the aggregate, materially impair the current use and enjoyment of any material property or asset of the Company and its Subsidiaries, (iv) any Liens that will be discharged or released either prior to, or substantially simultaneous with, the Closing, (v) any Liens created by Parent, Intermediate Corp or any of their Affiliates, and (vi) any such other Liens, imperfections of title and other similar matters that do not, individually or in the aggregate, materially impair the current use and enjoyment of any material property or asset of the Company and its Subsidiaries.

"Person" means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

"Pre-Closing Tax Period" means (i) any Tax period ending the day before the Closing Date and (ii) with respect to any Straddle Period, the portion of such period ending the day before the Closing Date.

"Proceeding" means any action, proceeding, audit, hearing, litigation or suit (whether civil, criminal, or administrative) before any Governmental Authority.

"Pro Rata Share" means, with respect to each Equity Holder, the percentage represented by a fraction, the numerator of which is the sum of (i) the aggregate number of shares of Common Stock held by such Equity Holder immediately

prior to the Effective Time (and after the Contribution), plus (ii) the aggregate number of shares of Common Stock issuable upon exercise of all outstanding Options held by such Equity Holder immediately prior to the Effective Time (and after the Contribution), and the denominator of which is the aggregate number of shares of Common Stock issued and outstanding, or issuable subject to Options, as of immediately prior to the Effective Time, excluding the shares of Common Stock subject to the Contribution.

"Representatives" means a Person's directors, officers, agents, attorneys, accountants, advisers and representatives.

"Returned Escrow Amounts" has the meaning ascribed to it in Section 3.5.

"Rollover Commitment" has the meaning ascribed to it in the Contribution and Exchange Agreement.

"Rollover Stockholders" has the meaning ascribed to it in the Contribution and Exchange Agreement.

"Seller Indemnified Parties" has the meaning ascribed to it in Section 10.2(b).

"Straddle Period" means any Tax period beginning on or before the day before the Closing Date and ending after the Closing Date.

"Subsidiary" of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than fifty percent (50%) of the voting power or capital stock is owned or controlled directly or indirectly by such Person, or one or more of the Subsidiaries of such Person, or a combination thereof.

"Surviving Corporation" has the meaning ascribed to it in Section 2.1.

"Tax Authority" means any Governmental Authority or any subdivision, agency, commission or authority thereof having jurisdiction with respect to any Tax.

"Tax Benefit Amount" means the amount by which (a) the amount of Taxes that Parent, Intermediate Corp, the Company, the Surviving Corporation and their Subsidiaries (or their successors) would have been required to pay in any applicable tax period but for the Tax Benefit exceeds (b) the amount of Taxes actually payable by such persons in such period, in each case without regard to any subsequent acquisitions, mergers or similar transactions involving a Parent Entity.

"Tax Contest" means any inquiry, claim, assessment, audit or similar event with respect to Taxes, including any action described in Section 6.9(b).

"Tax Returns" means any returns, declarations, reports, claims for refund, or information returns or statements relating to Taxes, including any schedule or attachment thereto and any amendment thereof, filed or required to be filed with any Tax Authority.

"Taxes" means any federal, state, local, or non-U.S. income, gross receipts, license, wages, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, customs duty, capital, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, unclaimed property or escheat, sales, use, transfer, transaction, registration, value-added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Third Party Claims" has the meaning ascribed to it in Section 10.2(c).

"Total Purchase Price" means an amount in cash equal to $210,000,000 minus the aggregate Rollover Commitment of the Rollover Stockholders.

"Transfer Taxes" has the meaning ascribed to it in Section 6.9(b).

1.2 Interpretation. Unless the context clearly indicates otherwise: (a) each definition herein includes the singular and the plural, (b) each reference herein to any gender includes the masculine, feminine and neuter where appropriate, (c) the words "include" and "including" and variations thereof shall not be deemed terms of limitation, but rather shall be deemed to be followed by the words "without limitation," (d) the words "hereof," "herein," "hereto," "hereby," "hereunder" and derivative or similar words refer to this Agreement as an entirety and not solely to any particular provision of this Agreement, (e) each reference in this Agreement to a particular Article, Section, Exhibit or Schedule means an Article or Section of, or an Exhibit or Schedule to, this Agreement, unless another agreement is specified, (f) any definition of or reference to any agreement, instrument, document, statute or regulation herein shall be construed as referring to such agreement, instrument, document, statute or regulation as it may from time to time be amended, supplemented or otherwise modified, and (g) all references to "$" or "Dollars" shall mean U.S. Dollars.

ARTICLE II
THE MERGER; CLOSING; EFFECTIVE TIME

2.1 The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the CGCL, Merger Sub shall be merged with and into the Company at the Effective Time. At the Effective Time, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation").

2.2 Closing. The closing of the Merger (the "Closing") shall take place at 9:00 a.m. (Pacific Time) on (a) August 28, 2013; provided, that if any of the conditions to Closing set forth in ARTICLE VII hereof (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction or waiver thereof at Closing) have not been satisfied or waived by the party entitled to the benefit thereof on or prior to

such date, then the Closing shall take place, and the parties hereto shall consummate Closing, on the the third (3rd) Business Day after satisfaction or waiver of all of the conditions to the Closing set forth in ARTICLE VII hereof (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction or waiver thereof at Closing), or (b) any other date agreed to in writing by the parties hereto (the "Closing Date"), at or directed from the offices of Munger, Tolles & Olson LLP, 355 South Grand Avenue, Los Angeles, California 90071.

2.3 Effective Time. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, the parties hereto shall file with the Secretary of State of the State of California (a) an agreement of merger (the "Agreement of Merger"), executed and acknowledged in accordance with the relevant provisions of the CGCL, (b) a certificate executed on behalf of the Company by an executive officer thereof complying with Section 1103 of the CGCL and (c) a certificate executed on behalf of Merger Sub by an executive officer thereof complying with Section 1103 of the CGCL, and, as soon as practicable on or after the Closing Date, shall make all other filings or recordings required under the CGCL. The Merger shall become effective upon the filing and acceptance of the Agreement of Merger with the Secretary of State of the State of California (the "Effective Time").

2.4 Closing Payments and Deposits. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, (a) Intermediate Corp shall deliver to the Escrow & Exchange Agent, to such account of the Escrow & Exchange Agent as set forth in the Paying Agent Agreement, the Aggregate Closing Consideration, less (i) the Option Closing Consideration and (ii) the Executive Note Amount, pursuant to the terms set forth in Section 3.4, (b) Intermediate Corp shall deliver to the Company the Option Closing Consideration pursuant to the terms set forth in Section 3.4, and (c) Intermediate Corp shall pay (i) the Company Transaction Expenses by wire transfer in immediately available funds to such account or accounts as set forth in the certificate contemplated by Section 6.13, (ii) the Escrow Amount, to such account of the Escrow & Exchange Agent as set forth in the Escrow Agreement, and (iii) an amount in cash (the "Note Payment") required to pay, in full, the note payable to Therese Tucker described on Section 2.4 of the Company Disclosure Schedules (the "Note") to Therese Tucker by wire transfer in immediately available funds to such account as specified by her.

2.5 The Articles of Incorporation. The articles of incorporation of Merger Sub in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Corporation (the "Charter"), until duly amended as provided therein or by applicable Law.

2.6 The Bylaws. The bylaws of Merger Sub in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation (the "Bylaws"), until duly amended as provided therein or by applicable Law.

2.7 Directors. The directors of Merger Sub at the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors shall have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the Bylaws.

2.8 Officers. The officers of Merger Sub at the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors shall have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Charter and the Bylaws.

ARTICLE III
CONVERSION OF COMMON STOCK

3.1 Manner and Basis of Converting Common Stock.

(a) Merger Sub Common Stock. Each share of common stock of Merger Sub that is issued and outstanding as of the Effective Time shall, by operation of law and by virtue of the Merger, be converted into a validly issued, fully paid and non-assessable share of common stock, no par value, of the Surviving Corporation, and such common stock of the Surviving Corporation will constitute all of the issued and outstanding shares of capital stock of the Surviving Corporation immediately following the Effective Time.

(b) Conversion of Common Stock. Subject to Section 3.1(c), as of the Effective Time, by operation of law and by virtue of the Merger and without any action on the part of any Company Shareholder, each issued and outstanding share of Common Stock (other than any Dissenting Shares) shall be converted into the following (the "Common Stock Merger Consideration"): (i) the right to receive an amount in cash equal to the Common Stock Closing Consideration, and (ii) subject to Section 3.5 hereof, the right to receive an amount in cash equal to the Common Stock Escrow Amount, if any. Pursuant to the terms of the Executive Notes, the Common Stock Closing Consideration payable to any Company Shareholder who is party to an Executive Note shall be reduced by the amount of such Executive Note outstanding as of immediately prior to the Effective Time.

(c) Cancellation of Parent-Owned Stock. At the Effective Time, each share of Common Stock that is owned by Parent immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and no consideration shall be delivered or deliverable in exchange therefor. For the avoidance of doubt, the shares of Common Stock contributed to Parent in the Contribution shall not be converted into the right to receive any portion of the Common Stock Merger Consideration.

(d) Cancellation and Retirement of Common Stock. At the Effective Time, all shares of Common Stock that are issued and outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a Certificate representing any such shares of Common Stock shall cease to have any rights with respect thereto, except for the right to receive the Common Stock Merger Consideration, and except for any rights that may attach pursuant to the CGCL with respect to Dissenting Shares upon surrender of such Certificate in accordance with Section 3.4.

3.2 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, shares of Common Stock issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to exercise and has properly and validly exercised dissenters' rights in accordance with Chapter 13 of the CGCL ("Dissenting Shares") shall not be converted into the right to receive the Common Stock Merger Consideration, but instead shall be converted into the right to receive payment from the Surviving Corporation with respect to such Dissenting Shares in accordance with the CGCL unless and until such holder shall have failed to perfect or shall have effectively withdrawn or lost such holder's right under the CGCL. At the Effective Time, holders of Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive payment of the "fair market value" of such Dissenting Shares held by them in accordance with the provisions of such Chapter 13. All Dissenting Shares held by holders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights under such Chapter 13 shall thereupon be deemed to have been converted into and to have become exchangeable for the right to receive the Common Stock Merger Consideration, as of the Effective Time, upon surrender, in the manner provided in Section 3.4(b), of the Certificate or Certificates that formerly evidenced such Dissenting Shares. Prior to the Closing Date, the Company shall keep Parent reasonably notified of any demands under such Chapter 13 and attempted withdrawals of such notices or demands, and Parent shall have the opportunity to reasonably participate in and reasonably direct all material negotiations, petitions and proceedings with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent (which may be given or withheld in its sole discretion), make any payment with respect to, or settle or offer to settle, any such demands, or agree to do any of the foregoing.

3.3 Treatment of Options. As of the Effective Time, each Option that is outstanding and unexercised immediately prior to the Effective Time, whether or not then exercisable, shall no longer be outstanding and shall automatically be cancelled and converted into the following (the "Option Merger Consideration") less any amounts required to be deducted and withheld under any applicable Tax Law: (a) the right to receive an amount in cash equal to the Option Closing Consideration, and (b) subject to Section 3.5 hereof, the right to receive an amount in cash equal to the Common Stock Escrow Amount, if any. At the Effective Time, all Options shall expire and each holder of a Certificate representing any such Options shall cease to have any rights with respect thereto, except for the right to receive the Option Merger Consideration.

3.4 Payment for and Exchange of Common Stock and Options.

(a) Establishment of Funds. At the Closing, Intermediate Corp shall deposit in trust (i) with the Escrow & Exchange Agent, the Aggregate Closing Consideration, less the Option Closing Consideration, to be paid to the Company Shareholders, and (ii) with the Company, the Option Closing Consideration to be paid to the Option Holders, and (iii) with the Escrow & Exchange Agent, the Escrow Amount in

accordance with Section 3.5. Amounts deposited pursuant to Section 3.4(a)(i) shall be referred to as the "Exchange Fund". Amounts deposited pursuant to Section 3.4(a)(ii) shall be referred to as the "Company Fund". The Exchange Fund and the Company Fund shall not be used for any purpose other than the payment of the aggregate Common Stock Closing Consideration and Option Closing Consideration, respectively, in accordance with the terms of this Agreement.

(b) Exchange of Certificates. Promptly after the Effective Time, but no later than one (1) Business Day following the Closing Date, Intermediate Corp shall cause the Escrow & Exchange Agent to mail or otherwise deliver to each record holder as of the Effective Time of certificates or option grants which immediately prior to the Effective Time represented shares of Common Stock or Options, respectively (collectively, the "Certificates") a letter of transmittal (which shall (i) specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Escrow & Exchange Agent (if such Certificates represent shares of Common Stock) or to the Company (if such Certificates represent Options), and (ii) include provisions appointing the Shareholders' Representative and acknowledging the obligations of the Equity Holders under ARTICLE X), and instructions for use in effecting the surrender of the Certificates and payment therefor. Upon surrender to the Escrow & Exchange Agent or the Company, as applicable, of a Certificate, together with such letter of transmittal properly completed and duly executed, the holder of such Certificate shall be entitled to the following:

(i) with respect to Common Stock, excluding the shares of Common Stock subject to the Contribution, an amount in cash equal to the sum of (A) the product of (i) the Common Stock Closing Consideration, multiplied by (ii) the number of shares of Common Stock represented by such Certificate, minus, with respect to any Company Shareholder who is party to an Executive Note, the amount of such Executive Note outstanding as of immediately prior to the Effective Time, and (B) the product of (i) any Common Stock Escrow Amount, multiplied by (ii) the number of shares of Common Stock represented by such Certificate; and

(ii) with respect to Options, an amount in cash equal to the sum of (A) the product of (i) the Option Closing Consideration, multiplied by (ii) the number of Options represented by such Certificate, and (B) the product of (i) any Common Stock Escrow Amount, multiplied by (ii) the number of Options represented by such Certificate.

Each Certificate so surrendered shall be cancelled. All payments of Option Closing Consideration and Common Stock Closing Consideration with respect to such cancelled Certificates shall be made by the Escrow & Exchange Agent or the Company, respectively, as promptly as reasonably practicable in accordance with Section 3.4(a) from the Aggregate Merger Consideration.

(c) No Further Ownership Rights in Company After Common Stock Exchanged for Merger Consideration. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of

transfers of shares of Common Stock on the records of the Company. From and after the Effective Time, the holders of Certificates evidencing ownership of shares of Common Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such securities, except as otherwise provided for herein or by Law. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged for the Common Stock Merger Consideration or the Option Merger Consideration, as applicable, as provided in this Agreement.

(d) Termination of Exchange Fund. At any time following the date that is twelve (12) months after the date that the Escrow Amount is disbursed or depleted in full, Intermediate Corp or the Surviving Corporation shall be entitled to require the Escrow & Exchange Agent to deliver to it any funds (including any interest received with respect thereto) which had been deposited with the Escrow & Exchange Agent, and that have not been disbursed to holders of Certificates and thereafter such holders shall be entitled to look only to Intermediate Corp or the Surviving Corporation (subject to abandoned property, escheat or other similar laws) as general creditors thereof with respect to the payment of any Common Stock Merger Consideration or Option Merger Consideration that may be payable to such Person, as determined pursuant to this Agreement. Notwithstanding the foregoing, none of Intermediate Corp, the Surviving Corporation or the Escrow & Exchange Agent shall be liable to any holder of a Certificate for any Common Stock Merger Consideration or Option Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(e) Transfers of Ownership. If any portion of the Common Stock Merger Consideration, or Option Merger Consideration, as the case may be, is to be paid to a Person other than the Person in whose name the Certificate is registered, it shall be a condition of the exchange or payment that such Certificate shall be properly endorsed or otherwise in proper form for transfer and that the Person requesting such exchange or payment shall pay any Transfer Taxes required by reason of the exchange or payment to a Person other than the registered holder of such Certificate or establish to the reasonable satisfaction of Intermediate Corp that such Tax has been paid or is not applicable.

(f) Taxes. Intermediate Corp, the Company or the Surviving Corporation, as the case may be, shall be entitled to deduct and withhold from consideration otherwise payable to Option Holders pursuant to this Agreement such amounts as are required to be deducted and withheld with respect to the making of such payment under applicable Tax Law. To the extent that amounts are so withheld, (i) such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder in respect of which such deduction and withholding was made, (ii) shall be remitted by Intermediate Corp, the Surviving Corporation or the Escrow & Exchange Agent, as applicable, to the applicable Governmental Authority, and (iii) Intermediate Corp, the Company or the Surviving Corporation, as the case may be, shall provide to such Option Holder written notice of the amounts so deducted or withheld.

(g) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, the Escrow & Exchange Agent shall issue and pay in exchange for such lost, stolen or destroyed Certificate, the portion of the Common Stock Merger Consideration or Option Merger Consideration, as the case may be, payable pursuant to the terms of this Agreement; *provided*, *however*, that Intermediate Corp may, in its discretion and as a condition precedent to the issuance and payment thereof, require the owner of such lost, stolen or destroyed Certificate to deliver to Intermediate Corp an affidavit of loss, theft or destruction in customary form, but in no case shall Intermediate Corp, the Company or the Escrow & Exchange Agent require the posting by any such owner of a bond, as indemnity against any claim that may be made against Parent, Intermediate Corp, Merger Sub, the Surviving Corporation, the Company or any of their respective directors, officers, employees, Subsidiaries, Affiliates or agents with respect thereto.

3.5 Escrow Amount. At the Closing, Intermediate Corp shall deposit the Escrow Amount into an interest-bearing account (the "Escrow Account") with the Escrow & Exchange Agent, and the Escrow Amount shall remain in escrow subject to the terms of this Agreement and the Escrow Agreement until twelve (12) months following the Closing Date (the "Escrow Release Date") (subject to the terms of the Escrow Agreement relating to then-outstanding indemnification claims). With respect to (a) any amounts remaining in the Escrow Account on the Escrow Release Date (subject to the terms of the Escrow Agreement relating to then-outstanding indemnification claims) or (b) any amounts released at a later date following resolution of a claim pending on the Escrow Release Date (all such amounts under clauses (a) and (b), the "Returned Escrow Amounts"), (i) the portion of such amount allocable to the Company Shareholders entitled to payment thereof pursuant to Section 3.1(b) shall be immediately distributed pursuant to Section 3.4(b) and (ii) the portion of such amount allocable to the Option Holders entitled to payment thereof pursuant to Section 3.3 shall be remitted to the Surviving Corporation for immediate distribution pursuant to Section 3.4(b). Returned Escrow Amounts, if any, which are payable to Option Holders shall be paid in accordance with the provisions of Treasury Regulations Section 1.409A-3(i)(5)(iv)(A) relating to transaction based compensation, including the provisions contained therein relating to the receipt of such amounts that are payable within the short term deferral period following the lapse of a substantial risk of forfeiture.

3.6 Closing Adjustment. At least two (2) Business Days prior to the Closing Date, the Company shall deliver to Intermediate Corp a statement (the "Closing Statement"), setting forth the Company's good-faith calculation of the Closing Adjustment and all components thereof. The Closing Statement shall be accompanied by a certificate executed on behalf of the Company by a senior financial officer thereof stating that the Closing Statement has been prepared in accordance with this Agreement. The "Closing Adjustment" shall mean an amount equal to (i) the Company Indebtedness (except to the extent included in the Closing Date Disbursements), plus (ii) the Company Transaction Expenses (except to the extent included in the Closing Date Disbursements).

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Each representation and warranty contained in this ARTICLE IV is qualified by disclosures made in the Company Disclosure Schedules. Any fact or item which is disclosed in any section or sections of the Company Disclosure Schedules in such a way as to make its relevance to any other representation, warranty or covenant made in this Agreement or to the information called for by any other section of the Company Disclosure Schedules reasonably apparent shall be deemed to be an exception to such representation, representations and/or covenant and to be disclosed on such other section, as the case may be, notwithstanding the omission of a reference or cross reference thereto. Except with respect to matters set forth in the Company Disclosure Schedules, the Company hereby represents and warrants to Parent, Intermediate Corp and Merger Sub, as of the date hereof and as of the Closing Date, as follows:

4.1 Organization and Good Standing. The Company and each of its Subsidiaries (a) is an entity duly incorporated or organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation or organization, (b) has the requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on the Business, and (c) is duly qualified to transact business and in good standing in each jurisdiction in which the ownership or leasing of its properties or the conduct of the Business makes such qualification necessary, except where failures to be so qualified or in good standing would not have a Material Adverse Effect. All corporate actions taken or to be taken by the Company in connection with this Agreement have been duly authorized.

4.2 Authority and Enforceability; Ownership of Shares.

(a) The Company has all requisite corporate power and authority to execute and deliver this Agreement, the Escrow Agreement and the Paying Agent Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the Escrow Agreement and the Paying Agent Agreement by the Company, its performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms and conditions, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, preference, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a Proceeding in equity or at law) and except that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any Proceeding may be brought.

(b) All of the issued and outstanding shares of Common Stock are owned beneficially and of record by the Company Shareholders as set forth on Section 4.2(b) of the Company Disclosure Schedules free and clear of all Liens. A complete and accurate list of each issued and outstanding Option as of the date hereof (including the name of the Option Holder and the applicable exercise price thereof) is set forth on Section 4.2(b) of the Company Disclosure Schedules.

4.3 Non-Contravention. Subject to the provisions of Section 4.4 regarding Consents, the execution and delivery of this Agreement by the Company do not, and the Company's performance hereunder and the consummation of the transactions contemplated hereby shall not, (a) violate any provision of the articles of incorporation or bylaws or other organizational documents of the Company or any of its Subsidiaries, (b) violate or constitute a breach of or default under, or permit termination, modification or acceleration under, any Major Contract, except where such violations, breaches, defaults, terminations, modifications and accelerations would not have a Material Adverse Effect, (c) violate any Law applicable to the Company or any of its Subsidiaries or any Order to which the Company or any of its Subsidiaries is subject, except where such violations would not have a Material Adverse Effect, or (d) result in the creation of any Lien upon any shares of the Company's or any Subsidiary's capital stock or any of the Company's or any Subsidiary's assets (except to the extent created by any action of Parent, Intermediate Corp or their Affiliates).

4.4 Consents. The execution and delivery by the Company of this Agreement, the Company's performance hereunder, and the consummation of the transactions contemplated hereby do not, and will not, (a) require any Consent under any Major Contract, except where failures to obtain such Consents would not have a Material Adverse Effect, or (b) any Governmental Approval, except (i) the Agreement of Merger, (ii) under the HSR Act, and (iii) where failures to obtain such Governmental Approvals would not have a Material Adverse Effect.

4.5 Capitalization; Subsidiaries.

(a) The Company has an authorized capitalization consisting of 1,000,000,000 shares of Common Stock, of which 116,962,750 shares of Common Stock are issued and outstanding as of the date hereof. All of the issued and outstanding shares of Common Stock have been duly and validly authorized and are duly and validly issued, fully paid and non-assessable, and none of them have been issued in violation of preemptive or similar rights. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other agreements or rights to purchase or otherwise acquire any shares of capital stock of the Company, and no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights for which the Company has any liability.

(b) Section 4.5(b) of the Company Disclosure Schedules sets forth for each Subsidiary of the Company: (i) the name of such Subsidiary and its jurisdiction of incorporation or organization, (ii) its authorized capitalization, and (iii) the number of issued and outstanding shares of each class of its capital stock or units of other equity

interests. All of the issued and outstanding shares of capital stock or units of other equity interests of each such Subsidiary have been duly and validly authorized and are duly and validly issued, fully paid and non-assessable, and none of them have been issued in violation of preemptive or similar rights. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other agreements or rights to purchase or otherwise acquire any shares of capital stock or units of other equity interests of such Subsidiary, and no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights for which such Subsidiary has any liability.

4.6 Financial Statements. Attached to Section 4.6 of the Company Disclosure Schedules are the following financial statements (collectively, including the notes contained therein, the "Company Financial Statements"): (i) the audited consolidated balance sheet of the Company and its consolidated Subsidiaries as at December 31, 2012 (the "Balance Sheet Date") and as at December 31, 2011, and the related audited consolidated statements of operations, shareholders' deficit and cash flows for the Company and its consolidated Subsidiaries for the fiscal years ended on December 31, 2012, and December 31, 2011, and (ii) the unaudited consolidated balance sheet of the Company and its consolidated Subsidiaries as at June 30, 2013 (the "Latest Balance Sheet Date"), and the related unaudited consolidated statements of operations, shareholders' deficit and cash flows for the Company and its consolidated Subsidiaries for the six (6)-month period then ended. The Company Financial Statements have been prepared in accordance with GAAP during the periods referred to in the Company Financial Statements, and fairly present in all material respects in accordance with GAAP the financial condition of the Company and its consolidated Subsidiaries on a consolidated basis as of their respective dates, and the results of operations and cash flows of the Company and its consolidated Subsidiaries on a consolidated basis for the respective periods indicated therein (subject, in the case of the unaudited Company Financial Statements, to normal and recurring year-end adjustments that are not material in amount or nature and the absence of notes).

4.7 Absence of Certain Changes or Events. Except as otherwise contemplated, required or permitted by this Agreement, from the Balance Sheet Date to the date hereof, neither the Company nor any of its Subsidiaries has taken any action of the type prohibited by Section 6.1. Since the Balance Sheet Date, there has not occurred any change, event or circumstance that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect.

4.8 Undisclosed Liabilities. The Company and its Subsidiaries do not have any liabilities or obligations (whether absolute, accrued, contingent or otherwise) except for liabilities or obligations (a) reflected or reserved against in the Company Financial Statements, (b) that have arisen after the Latest Balance Sheet Date in the Ordinary Course of Business, (c) disclosed in this Agreement or in the Company Disclosure Schedules, (d) incurred pursuant to this Agreement, and (e) that would not have a Material Adverse Effect.

4.9 Major Contracts.

(a) Section 4.9(a) of the Company Disclosure Schedules sets forth each contract and agreement to which the Company or any of its Subsidiaries is a party as of the date hereof, and (i) the performance of which by its express terms, without taking into consideration options or similar renewals (whether automatic or elective), requires aggregate payments after the date hereof by or to the Company or any of its Subsidiaries in excess of $150,000 during any twelve-month period, and that cannot be cancelled by the Company without penalty or without more than 180 days' notice, (ii) which provides for the employment or compensation of any Employee, independent contractor or consultant, requires aggregate annual salary and cash bonus or other payments in excess of $50,000, and is not terminable without material penalty, (iii) except for agreements relating to trade receivables, which relates to the incurrence of Indebtedness of the Company or any of its Subsidiaries, (iv) which contains covenants limiting in any material respect the freedom of the Company or any of its Subsidiaries to compete or engage in any line of business in any place, (v) which is a partnership, joint venture agreement, strategic alliance or similar arrangement requiring aggregate payments after the date hereof by or to the Company or any of its Subsidiaries in excess of $50,000, (vi) which involves a license (either as licensee or licensor), royalty, sharing or development of Scheduled Intellectual Property (other than licenses from a third party of generally commercially available, "off the shelf" and "click wrap" software programs and services and other than licenses to customers in connection with the Company's legacy business), or (vii) which are between or among the Company or any of its Subsidiaries on the one hand and an Affiliate of (A) the Company or (B) any of its Subsidiaries on the other hand (each of the agreements listed pursuant to (i) through (vii), a "Major Contract" and collectively, the "Major Contracts").

(b) All of the Major Contracts are in full force and effect in all material respects (except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, preference, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a Proceeding in equity or at law) and except that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any Proceeding may be brought) and none of the Company or its Subsidiaries or, to the Knowledge of the Company, any other party thereto (solely as of the date hereof) is in breach thereof or default thereunder, which breach or default has not been excused or waived, except where such breaches and defaults would not have a Material Adverse Effect. The Company has no current contracts with any of its BlackLine Financial Close Suite customers that contain provisions requiring the Company to renew the contract solely at the customer's election on terms adverse to the Company in any material respect with respect to pricing, payment terms, customer usage limitations, or scope of products or services, except for terms that allow a lower price per user upon reaching a specific increased volume of users.

4.10 Litigation. There is no, and during the past two (2) years there has been no, Proceeding, at law or in equity, pending against or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries, nor is there any Order outstanding against either the Company or any of its Subsidiaries, in each case

except where the adverse outcome or effect of which would not have a Material Adverse Effect. To the Knowledge of the Company, during the three (3) years immediately preceding the past two (2) years there has been no Proceeding, at law or in equity, against the Company or any of its Subsidiaries.

4.11 Compliance with Laws.

(a) The Company and each of its Subsidiaries are and during the past two (2) have been in compliance in all respects with all applicable Laws, Orders and Governmental Approvals, except where failures to so comply would not have a Material Adverse Effect. To the Knowledge of the Company, during the three (3) years immediately preceding the past two (2) years the Company and each of its Subsidiaries have been in compliance in all respects with all applicable Laws, Orders and Governmental Approvals, except where failures to so comply would not have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries has received, at any time in the past two (2) years, any written notice or any other communication from any Governmental Authority or any other Person regarding (i) any actual or alleged violation of, or failure to comply in any material respect with, any Law, (ii) any actual or alleged obligation on the part of the Company or any of its Subsidiaries to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, or (iii) any investigation with respect to the foregoing. To the Knowledge of the Company, during the two (2) years immediately preceding the past three (3) years neither the Company nor any of its Subsidiaries has received any written notice or any other communication from any Governmental Authority or any other Person regarding (i) any actual or alleged violation of, or failure to comply in any material respect with, any Law, (ii) any actual or alleged obligation on the part of the Company or any of its Subsidiaries to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, or (iii) any investigation with respect to the foregoing.

4.12 Licenses. The Company and each of its Subsidiaries have obtained all Governmental Approvals necessary to carry on the Business and to own, operate, use and maintain their respective assets as they are now owned, operated, used and maintained, except where failures to possess such Governmental Approvals would not have a Material Adverse Effect.

4.13 Properties.

(a) Neither the Company nor any of its Subsidiaries owns any real property.

(b) Section 4.13(b) of the Company Disclosure Schedules sets forth the street address of each parcel of Leased Real Property. Except for Permitted Exceptions and for matters that would not have a Material Adverse Effect, the Company is not in breach of or default under any lease for any Leased Real Property, which breach or default has not been excused or waived, except where such breaches and defaults, terminations, modifications and accelerations would not have a Material Adverse Effect.

(c) The Company and each of its Subsidiaries owns, has a valid leasehold interest in or has the valid and enforceable right to use all material tangible assets necessary for the conduct of its business as presently conducted.

4.14 Intellectual Property; Software.

(a) Section 4.14(a) of the Company Disclosure Schedules sets forth a true and complete list of all (i) registered trademarks and applications for trademark registration of the Company; (ii) registered domain names of the Company; (iii) patent applications and patent registrations of the Company; and (iv) registered copyrights and applications for copyright registration of the Company (collectively, the "Scheduled Intellectual Property"). The Company solely owns, free and clear of any Lien, all Scheduled Intellectual Property and Material Software (but, with respect to Material Software developed by independent contractors, only to the extent that title may become vested in software in connection with an independent contractor relationship under applicable Law and subject to statutory rights of reversion and termination). The Material Software and the Scheduled Intellectual Property collectively comprise all of the Intellectual Property that is material to the operation of the Company's business as presently conducted.

(b) To the Knowledge of the Company, the use of any Scheduled Intellectual Property or Material Software by the Company and its Subsidiaries does not infringe on or otherwise violate the rights of any Person, except where such infringements, violations and failures to be in accordance would not have a Material Adverse Effect.

(c) Neither the Company nor any of its Subsidiaries has received during the two (2) years prior to the date hereof any written notice of any pending third-party claim with respect to any Scheduled Intellectual Property or Material Software, the adverse outcome of which would have a Material Adverse Effect.

(d) To the Knowledge of the Company, no Person is infringing on or otherwise violating, in any material respect, any right of the Company with respect to any Scheduled Intellectual Property or Material Software.

(e) The Material Software of the Company has been developed by persons who were, at the time of development, either (i) employees of the Company or (ii) party to "work-for-hire" arrangements with the Company, or who have executed instruments of assignment in favor of the Company as assignee of any intellectual property rights underlying the Material Software.

(f) The Company has scanned the Material Software prior to the date hereof for viruses and other malware using customary virus detection software and such scans have not resulted in reports of any such viruses or other malware. None of the

Material Software is subject to any "copyleft" or similar obligations that require the disclosure or licensing of any source code underlying any Material Software. The Material Software conforms substantially to the most recently-published specifications and documentation relating thereto.

(g) No government funding has been used to develop the Material Software. The Company has exercised all commercially reasonable efforts to preserve in accordance with normal industry practices any trade secrets it may have covering the Material Software. None of the Material Software is subject to any software escrow agreement with a third party.

(h) The representations and warranties set forth in this Section 4.14 are the Company's sole and exclusive representations and warranties regarding Intellectual Property and Material Software matters.

4.15 Taxes.

(a) All Tax Returns that were required to be filed with any Tax Authority by or on behalf of the Company and its Subsidiaries have been duly and timely filed (or extensions have been duly obtained), each such Tax Return was true, correct, and complete in all material respects, and all Taxes due and payable by the Company and its Subsidiaries have been paid to the appropriate Tax Authority on or before the due date for payment thereof.

(b) There are no material Liens, except for Permitted Exceptions, for Taxes upon any of the assets of the Company or its Subsidiaries.

(c) All material Taxes that the Company and its Subsidiaries have been required to collect or withhold have been duly collected or withheld and, to the extent required, have been duly paid to the proper Tax Authority.

(d) No Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to the Company or any of its Subsidiaries, and no deficiencies for Taxes with respect to the Company or its Subsidiaries have been claimed, proposed or assessed in writing by any Tax Authority, which deficiency has not yet been settled. The Company and its Subsidiaries have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency (apart from waivers or agreements that are no longer in effect).

(e) The Company and its Subsidiaries have not been members of an affiliated group filing a consolidated federal income Tax Return, other than a group the common parent of which is the Company. Neither the Company nor any of its Subsidiaries is a party to any Tax allocation or sharing agreement.

(f) The Company has been a validly electing "S corporation" within the meaning of Sections 1361 and 1362 of the Code at all times since June 21, 2001 and the Company will be an S corporation up to and including the day before the Closing Date. In the past ten (10) years, the Company has not acquired assets with a carryover basis (in whole or in part) from a "C corporation," as defined by Section 1361(a)(2) of the Code. Each of the Company's Subsidiaries is an entity that is disregarded as separate from the Company for federal and all applicable state and local income Tax purposes. The IRS has not challenged in writing or, to the Knowledge of the Company, threatened to challenge the status of the Company as an S corporation for federal income Tax purposes under the Code.

(g) No written claim has been made within the past three (3) years by a Tax Authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to Taxes assessed by such jurisdiction.

(h) The Company has not distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or 361 of the Code.

(i) Neither the Company nor any of its Subsidiaries has participated in any "listed transaction" as defined in the Treasury Regulations promulgated under Section 6011 of the Code.

(j) Except for certain representations related to Taxes in Section 4.16(g), the representations and warranties set forth in this Section 4.15 are the Company's sole and exclusive representations and warranties regarding Tax matters.

4.16 Employee Benefits.

(a) As applicable with respect to each Employee Benefit Plan, the Company has made available to Parent in the Merrill Datasite (i) true and complete copies of all such Employee Benefit Plans, including all amendments thereto (and in the case of an unwritten Employee Benefit Plan, a written description thereof), (ii) the current trust documents, investment management contracts, custodial agreements and insurance contracts relating thereto, (iii) the current summary plan description and each summary of material modifications thereto, (iv) the most recently filed annual report (Form 5500 and all schedules thereto), (v) the most recent Internal Revenue Service determination or opinion letter and each currently pending application for the same, and (vi) the most recent summary annual report, actuarial report, financial statement and trustee report.

(b) There are no pending or, to the Knowledge of the Company, threatened audits or investigations by any Governmental Authority involving any Employee Benefit Plan. There are no pending claims (except for claims for benefits payable in the normal operations of any such Employee Benefit Plan) or Proceedings, at law or in equity, relating to any Employee Benefit Plan.

(c) Each Employee Benefit Plan has been operated, administered, funded and maintained, in form and operation, in all material respects in accordance with its terms and applicable Laws, including ERISA and the Code. All contributions, premiums or other payments that are due have been paid on a timely basis with respect to each Employee Benefit Plan.

(d) Each Employee Benefit Plan that is intended to meet the requirements of a "qualified plan" under Section 401(a) of the Code has received a determination letter from the Internal Revenue Service to the effect that it meets the requirements of Section 401(a) of the Code, or with respect to a prototype Employee Benefit Plan, the prototype sponsor has received a favorable Internal Revenue Service opinion letter, or such Employee Benefit Plan or prototype sponsor has remaining a period of time under applicable Code regulations or pronouncements of the Internal Revenue Service in which to apply for such a letter and make any amendments necessary to obtain a favorable determination or opinion as to the qualified status of each such Employee Benefit Plan. No events have occurred with respect to any such Employee Benefit Plan that would reasonably be expected to adversely affect such qualified status.

(e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in, cause the accelerated vesting, funding or delivery of, or increase the amount or value of, any payment or benefit to any Employee under any Employee Benefit Plan, except as expressly set forth in such Employee Benefit Plan or as expressly provided in this Agreement.

(f) No Employee Benefit Plan is a defined benefit pension plan. No Employee Benefit Plan is subject to Part 3, Subtitle B of Title I of ERISA or Title IV of ERISA. Neither the Company nor any of its Subsidiaries has ever contributed to, or been required to contribute to any "multiemployer plan" (within the meaning of Section 3(37) of ERISA) and neither the Company nor any of its Subsidiaries has any liability (contingent or otherwise) with respect to any multiemployer plan or other plan subject to Title IV of ERISA, including liabilities relating to the withdrawal or partial withdrawal from a multiemployer plan. Neither the Company nor any of its Subsidiaries has any current or potential obligation to provide post-employment health, life or other welfare benefits other than as required under Section 4980B of the Code or any similar applicable law.

(g) No payment which is or may be made by, from or with respect to any Employee Benefit Plan, either alone or in conjunction with any other payment, event or occurrence, will or could reasonably be characterized as an "excess parachute payment" under Section 280G of the Code. Each Employee Benefit Plan that constitutes a "non-qualified deferred compensation plan" within the meaning of Section 409A of the Code both complies with the requirements of Section 409A of the Code by its terms and has been maintained and operated in good faith in compliance with the requirements of Section 409A of the Code, no amounts under any such Employee Benefit Plan is or has been subject to the interest and additional tax set forth under Section 409A(a)(1)(B) of the Code and neither the Company nor any of its Subsidiaries has any obligation to gross-up or indemnify any individual with respect to any such tax.

(h) The representations and warranties set forth in this Section 4.16 are the Company's sole and exclusive representations and warranties regarding employee benefit matters.

4.17 Employment Matters.

None of the Company or any of its Subsidiaries is a party to any collective bargaining agreement, and, to the Knowledge of the Company, there are no organizational campaigns, petitions, or other unionization activities seeking to authorize representation of any Employee. The Company and its Subsidiaries are in compliance in all material respects with all applicable Laws pertaining to employment and employment practices, including provisions thereof relating to wages, hours, equal opportunity, fair labor standards, nondiscrimination, workers compensation, collective bargaining, and employment classification. There are no Proceedings against the Company pending, or to the Knowledge of the Company, threatened to be brought or filed, by or with any Governmental Authority or other Person in connection with the employment of any current or former employee of the Company or any of its Subsidiaries, including any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay or any other similar employment related matter arising under applicable employment Laws.

4.18 Board Approval; Vote Required.

(a) The board of directors of the Company, at a meeting duly called and held or by written consent, has unanimously approved this Agreement and the transactions contemplated hereby, and declared it advisable for the Company to enter into this Agreement and consummate the transactions contemplated hereby.

(b) Other than the Company Shareholder Approval, no vote or consent of any holder of the Company's capital stock is necessary for the consummation of the transactions contemplated hereby by the Company.

4.19 Related Party Transactions. There is no indebtedness for borrowed money owed by the Company or any of its Subsidiaries to any shareholder, director, officer or employee of the Company or any of its Subsidiaries or any other Employee, or any immediate family member of any of the foregoing. No shareholder, director, officer or employee of the Company or any of its Subsidiaries or any other Employee, or any immediate family member of any of the foregoing, (a) owns, in whole or in part, assets used in the Business, (b) provides or causes to be provided services to the Company or its Subsidiaries, other than in his or her capacity as a shareholder, director, officer or employee of the Company or any of its Subsidiaries; or (c) is party to any Contract with the Company or any of its Subsidiaries.

4.20 Brokers and Finders. Except for Evercore Capital Partners, whose fee is included in the Company Transaction Expenses, no agent, broker, investment banker, intermediary, finder or firm acting on behalf of the Company or any of its Subsidiaries is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement, the Company's performance hereunder, or the consummation of the transactions contemplated hereby.

4.21 Customers and Vendors. Section 4.21 of the Company Disclosure Schedules sets forth (a) a list of the top fifty (50) customers of the Company and its Subsidiaries on a consolidated basis (by revenues recognized during the applicable year in accordance with GAAP with respect to such customers) and (b) a list of the top five (5) vendors of the Company and its Subsidiaries on a consolidated basis (by volume of purchases from such vendors), for the fiscal years ended December 31, 2012 and 2011. As of the date hereof, neither the Company nor any of its Subsidiaries has received any oral or written notice from any such customer listed with respect to the fiscal year ended December 31, 2012, to the effect that, and neither the Company nor any of its Subsidiaries has any Knowledge that, any such customer will stop, decrease the rate of, or change the terms (whether related to payment, price or otherwise) in a manner adverse to the Company or its Subsidiaries with respect to, buying products from the Company or its Subsidiaries (whether as a result of the consummation of the transactions contemplated hereby or otherwise). As of the date hereof, neither the Company nor any of its Subsidiaries has received any written notice from any such vendor listed with respect to the fiscal year ended December 31, 2012, to the effect that such vendor will stop, decrease the rate of, or change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to the Company or its Subsidiaries (whether as a result of the consummation of the transactions contemplated hereby or otherwise). There are no suppliers of products or services to the Company or its Subsidiaries that are necessary for the operation of the Business with respect to which reasonably practical alternative sources of supply are not generally available on comparable collective terms and conditions in the marketplace as of the date hereof.

4.22 No Other Representations or Warranties. Except for the representations and warranties contained in this ARTICLE IV, the Company does not make any express or implied representation or warranty with respect to the Business, the Company or any of its Subsidiaries, the transactions contemplated hereby, or any information provided to Parent, Intermediate Corp, or any of their Affiliates or Representatives in connection with the transactions contemplated hereby, including the accuracy, completeness or currency thereof. No Person shall have or be subject to any liability to Parent, Intermediate Corp, the Sponsors or any other Person resulting from the distribution or failure to distribute to Parent, Intermediate Corp, the Sponsors or any of their Affiliates or Representatives, or Parent's, Intermediate Corp's, a Sponsor's or any other Person's use of, any such information, including any information, documents, projections, forecasts of other material made available in certain "data rooms" or management presentations in expectation of the transactions contemplated hereby, unless any such information is expressly included in a representation or warranty contained in this ARTICLE IV.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PARENT, INTERMEDIATE CORP AND MERGER SUB

Parent, Intermediate Corp and Merger Sub hereby jointly and severally represent and warrant to the Company, as of the date hereof, as follows:

5.1 Organization and Good Standing. Each of Parent, Intermediate Corp and Merger Sub is a corporation (a) duly incorporated, validly existing and in good standing under the Laws of the State of Delaware (in the case of Parent and Intermediate Corp) and California (in the case of Merger Sub), except where failures to be so qualified and in good standing would not prohibit, restrict or delay, in any material respect, the performance by Parent, Intermediate Corp and Merger Sub of Parent, Intermediate Corp and Merger Sub's respective obligations hereunder or the consummation of the transactions contemplated hereby.

5.2 Authority and Enforceability. Each of Parent, Intermediate Corp and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by each of Parent, Intermediate Corp and Merger Sub, their performance hereunder, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Parent, Intermediate Corp and Merger Sub, including the approval of the board of directors of Parent and Intermediate Corp. This Agreement has been duly executed and delivered by Parent, Intermediate Corp and Merger Sub and, assuming due execution and delivery by the other parties hereto, constitutes a valid and binding obligation of Parent, Intermediate Corp and Merger Sub, enforceable against Parent, Intermediate Corp and Merger Sub in accordance with its terms and conditions, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, preference, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a Proceeding in equity or at law) and except that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any Proceeding may be brought.

5.3 Non-Contravention. Subject to the provisions of Section 5.4 regarding Consents, the execution and delivery of this Agreement by Parent, Intermediate Corp and Merger Sub do not, and Parent's, Intermediate Corp's and Merger Sub's performance hereunder and the consummation of the transactions contemplated hereby shall not (a) violate any provision of the articles or certificate of incorporation, as applicable, or bylaws of Parent, Intermediate Corp or Merger Sub, (b) violate or constitute a breach of or default under (with notice or lapse of time, or both), or permit termination, modification or acceleration under, any Contract to which Parent, Intermediate Corp or Merger Sub is party or by which Parent's, Intermediate Corp's or Merger Sub's assets are bound, except where such violations, breaches, defaults, terminations, modifications and accelerations would not, individually or in the aggregate, prohibit, restrict or delay, in any

material respect, the performance by Parent, Intermediate Corp or Merger Sub of Parent's, Intermediate Corp's or Merger Sub's obligations under this Agreement or the consummation of the transactions contemplated hereby, or (c) violate any Law applicable to Parent, Intermediate Corp or Merger Sub or any Order to which Parent, Intermediate Corp or Merger Sub is subject, except where such violations would not, individually or in the aggregate, prohibit, restrict or delay, in any material respect, the performance by Parent, Intermediate Corp or Merger Sub of Parent's, Intermediate Corp's or Merger Sub's obligations under this Agreement or the consummation of the transactions contemplated hereby.

5.4 Consents. The execution and delivery by Parent, Intermediate Corp and Merger Sub of this Agreement, Parent's, Intermediate Corp's and Merger Sub's performance hereunder, and the consummation of the transactions contemplated hereby do not require (a) any Consent under any Contract to which Parent, Intermediate Corp or Merger Sub is party or by which Parent's, Intermediate Corp's or Merger Sub's assets are bound, except where failures to obtain such Consents would not, individually or in the aggregate, prohibit, restrict or delay, in any material respect, the performance by Parent, Intermediate Corp or Merger Sub of Parent's, Intermediate Corp's or Merger Sub's obligations under this Agreement or the consummation of the transactions contemplated hereby, or (b) any Governmental Approval, except (i) under the HSR Act and (ii) where failures to obtain such Governmental Approvals would not, individually or in the aggregate, prohibit, restrict or delay, in any material respect, the performance by Parent, Intermediate Corp or Merger Sub of Parent's, Intermediate Corp's or Merger Sub's obligations under this Agreement or the consummation of the transactions contemplated hereby.

5.5 Litigation. There is no Proceeding, at law or in equity, pending against or, to the Knowledge of Parent, Intermediate Corp or Merger Sub, threatened against or affecting Parent, Intermediate Corp or Merger Sub, nor is there any Order outstanding against Parent, Intermediate Corp or Merger Sub, in each case the adverse outcome or effect of which would, individually or in the aggregate, prohibit, restrict or delay, in any material respect, the performance by Parent, Intermediate Corp or Merger Sub of Parent's, Intermediate Corp's or Merger Sub's obligations under this Agreement or the consummation of the transactions contemplated hereby.

5.6 Brokers and Finders. No agent, broker, investment banker, intermediary, finder or firm acting on behalf of Parent, Intermediate Corp or Merger Sub is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from Parent, Intermediate Corp or Merger Sub in connection with the execution and delivery of this Agreement, Parent's, Intermediate Corp's or Merger Sub's performance hereunder, or the consummation of the transactions contemplated hereby.

5.7 No Financing Condition. Parent has delivered to the Company true and complete fully executed copies of the equity commitment letters, dated as of the date hereof, between Parent, Intermediate Corp and each of Silver Lake Sumeru Fund, L.P. and Iconiq Strategic Partners, L.P. (the "Sponsors") (the "Equity Commitment Letters"), pursuant to which and subject to the terms and conditions thereof, the Sponsors have

agreed and committed to provide the equity financing set forth therein (the "Equity Financing"). The Equity Commitment Letters have not been amended, restated or otherwise modified or waived and the respective commitments contained in the Equity Commitment Letters have not been withdrawn, modified or rescinded. The Equity Commitment Letters are in full force and effect and constitute the legal, valid and binding obligations of each of Parent, Intermediate Corp and the Sponsors. There are no conditions precedent or contingencies relating to the funding of the full amount of the Equity Financing, other than as expressly set forth in the Equity Commitment Letters. The net proceeds of the Equity Financing will be sufficient for the satisfaction of all of Parent, Intermediate Corp and Merger Sub's obligations under this Agreement, including the payment of the Total Purchase Price, and of all fees and expenses reasonably expected to be incurred by Parent, Intermediate Corp and Merger Sub in connection herewith. No event has occurred which would constitute a breach or default (or an event which with notice or lapse of time or both would constitute a default) or a failure to satisfy a condition precedent, in each case, on the part of any party under the Equity Commitment Letters and Parent and Intermediate Corp do not have knowledge that the Equity Financing or any other funds necessary for the satisfaction of all of Parent, Intermediate Corp and Merger Sub's obligations under this Agreement and the payment of all fees and expenses reasonably expected to be incurred by Parent, Intermediate Corp and Merger Sub in connection herewith will not be available to Parent, Intermediate Corp and Merger Sub on the Closing Date.

5.8 Independent Investigation. Parent, Intermediate Corp and their Representatives have undertaken an independent investigation and verification of the business, operations and financial condition of the Company and its Subsidiaries. Parent and Intermediate Corp each confirm that the Company has provided it and its Representatives the opportunity to ask questions of the Company and to acquire such additional information about the business, operations and financial condition of the Company and its Subsidiaries as requested by Parent and Intermediate Corp. Parent and Intermediate Corp each acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, each of Parent and Intermediate Corp has relied solely upon its own investigation and the express representations and warranties of the Company set forth in ARTICLE IV of this Agreement (including the related portions of the Company Disclosure Schedules); and (b) none of the Company or any other Person has made any express or implied representation or warranty with respect to the Company or any of its Subsidiaries, the transactions contemplated hereby, or any information provided to Parent, Intermediate Corp or any of their Affiliates or Representatives in connection with the transactions contemplated hereby, except as expressly set forth in ARTICLE IV of this Agreement (including the related portions of the Company Disclosure Schedules).

5.9 Merger Sub's Operation and Capitalization. Merger Sub was formed solely for the purpose of engaging in the transactions contemplated hereby and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby and has no, and prior to the Effective Time will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the transactions contemplated hereby. The

authorized capital stock of Merger Sub consists of 1,000 shares of common stock, $0.01 par value, all of which shares have been validly issued, are fully paid and nonassessable and are owned by Intermediate Corp free and clear of any Liens.

ARTICLE VI
COVENANTS

6.1 Conduct of Business. From the date hereof to the earlier of the Closing Date or the termination of this Agreement, except as otherwise contemplated, required or permitted by this Agreement, and except for matters set forth on Section 6.1 of the Company Disclosure Schedules, the Company shall, and shall cause its Subsidiaries to, conduct its and their respective businesses in the Ordinary Course of Business in all material respects and use commercially reasonable efforts to preserve the goodwill and organization of its business and the relationships with its customers, suppliers, employees and other Persons having business relations with the Company and its Subsidiaries, except (i) as required by Law or a Governmental Authority of competent jurisdiction, or (ii) to the extent Parent shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned). Without limiting the generality of the foregoing and except (x) as otherwise expressly contemplated or required by this Agreement, and (y) for matters set forth on Section 6.1 of the Company Disclosure Schedules, the Company shall not, and shall not permit any of its Subsidiaries to:

(a) enter into any contract out of the Ordinary Course of Business or restricting in any material respect the conduct of its business or amend, modify in any material respect, waive any material rights under, or terminate any Major Contract;

(b) amend its articles of incorporation, bylaws or other organizational documents;

(c) make any loans to or investments in any Person;

(d) merge or consolidate with any Person;

(e) sell, purchase, lease or dispose of any property or assets (other than in the Ordinary Course of Business);

(f) (i)(A) issue, sell, or transfer, (B) redeem, purchase or acquire, or (C) grant any options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other agreements or rights to purchase or otherwise acquire, any shares of its capital stock (except for issuances of Common Stock pursuant to exercises of Options outstanding as of the date hereof), or (ii) grant any stock appreciation, phantom stock, profit participation, or similar equity-based rights;

(g) effect any recapitalization, reclassification, stock split or like change in its capitalization;

(h) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except for (i) dividends or other distributions from a Subsidiary of the Company to the Company, and (ii) dividends and other distributions not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000), plus the amount of cash, if any, paid to the Company (or payable to the Company at any time prior to the Effective Time) pursuant to exercises of Options after the date hereof and prior to the Effective Time, in the aggregate;

(i) pay any bonus or other similar payment (other than the Closing Bonuses) to any employee, consultant or independent contractor of the Company or any of its Subsidiaries or to any Company Shareholder or holder of Options;

(j) execute any guaranty, issue any debt, borrow any money or otherwise incur or create any Indebtedness (other than trade payables in the Ordinary Course of Business);

(k) directly or indirectly engage in any transaction or contract with any officer, director, shareholder, trustee or beneficiary of any Company Shareholder, holder of Options, or Affiliate of the Company or any of its Subsidiaries, except in the Ordinary Course of Business;

(l) create or permit any Lien on any material assets, except for Permitted Exceptions;

(m) except as required under the terms of any Employee Benefit Plan or other Major Contract existing as of the date hereof, increase the compensation, incentive arrangements or other benefits of the Employees or enter into, terminate or amend any Employee Benefit Plan;

(n) take or omit to take any action that has or would reasonably be expected to have the effect of accelerating to pre-Closing periods sales to the trade or other customers that would in the Ordinary Course of Business occur after the Closing;

(o) delay or postpone the payment of any accounts payable or accelerate the collection of or discount any accounts receivable in a manner outside the Ordinary Course of Business;

(p) make any material change in any method of accounting for financial reporting, except for any such change after the date hereof required by reason of a change in or interpretation of GAAP; or

(q) commit, authorize, or agree to do any of the foregoing.

6.2 Cooperation; Regulatory Authorizations.

(a) Each of the parties hereto shall each cooperate with the other and use its reasonable best efforts to consummate the transactions contemplated hereby as soon as practicable following the date hereof, and shall keep the other parties reasonably

informed of its progress toward satisfying the closing conditions set forth in ARTICLE VII and of any issues arising in connection therewith which might reasonably be expected to delay or prevent such satisfaction. Without limiting the generality of the foregoing, Parent, Intermediate Corp and the Company shall each (i) cooperate in good faith and take all actions necessary, appropriate or advisable to file as soon as reasonably practicable, and in any event no later than 10 Business Days after the date hereof, the notification and report forms required to be filed under the HSR Act with the United States Federal Trade Commission ("FTC") and the Antitrust Division of the United States Department of Justice ("DOJ"), (ii) use its reasonable best efforts to prosecute such filings and respond to inquiries related thereto to a favorable conclusion, (iii) not extend any waiting period under the HSR Act or enter into any agreement not to consummate the transactions contemplated hereby, except with the prior written consent of the other parties hereto, and (iv) use its reasonable best efforts to avoid entry of (or to have vacated or terminated) any Order that would restrain, prevent or delay the Closing.

(b) Without limiting Section 6.2(a), Parent and Intermediate Corp shall each take and cause to be taken all actions as may be necessary or desirable and use its best efforts to permit or cause the Closing to occur promptly following the date hereof and prior to the Outside Date, notwithstanding any requirement, request or condition sought or imposed by the FTC, the DOJ or any other Governmental Authority relating to this Agreement or the consummation of the transactions contemplated herein ("Government Conditions"), including (i) complying with and agreeing to any requests, directions, determinations, requirements or conditions of the FTC, DOJ or other Governmental Authority, including by supplying all information and documentary material that may be requested by such Governmental Authorities, (ii) complying with requests or undertakings to divest or hold separate any businesses, services, products or assets of Parent, Intermediate Corp or the Company and its Subsidiaries, (iii) complying with other limitations or requirements of any such Governmental Authority with respect of the operation of any of Parent's, Intermediate Corp's, the Company and any of their Subsidiaries' existing assets or businesses, and (iv) taking all other actions necessary or desirable, including instigating or defending any Proceeding, making meaningful reasonable offers of compromise, and promptly removing or causing to be removed any direction, determination, requirement, injunction, order, condition or limitation, that prevents or would prevent, or that makes illegal, the timely consummation of the transactions contemplated by this Agreement.

(c) All filings and other information or documents submitted, and all presentations made, by or on behalf of any party hereto before or to any Governmental Authority in connection with the approval of the contemplated transactions (except with respect to Taxes or Tax Returns) shall require the joint approval of Parent and the Company and be under the joint control of Parent and the Company, acting with the advice of their respective counsel; provided, that in the event of a disagreement concerning any such submission or presentation, the determinations of the Company shall be conclusive; and provided, further that nothing herein shall be deemed to prevent a party hereto from responding to or complying with a subpoena or other legal process required by Law or submitting factual information in response to a request therefore by an applicable Governmental Authority. In addition, except as prohibited by Law, Parent,

Intermediate Corp and the Company shall each (i) promptly notify the other party of any communication to such party from any Governmental Authority relating to the approval or disapproval of the transactions contemplated hereby, and (ii) not participate in any meetings or substantive discussions with any Governmental Authority without offering the other party hereto a meaningful opportunity to participate in such meetings or discussions.

6.3 Access. Between the date hereof and the earlier of the Closing Date or the termination of this Agreement, the Company shall afford the Representatives of Parent, at Parent's sole expense, reasonable access, at reasonable times during normal business hours with reasonable advance written notice, to the employees, premises, properties, books and records of the Company and its Subsidiaries as Parent may reasonably request; provided, that the Company shall not be required to (a) take any action that could unreasonably disrupt or interfere with the business or operations of the Company or any of its Subsidiaries, or (b) disclose any source code, except to a mutually acceptable third party pursuant to a separate mutually acceptable written agreement between the parties hereto. The forgoing shall not require the Company to permit any inspection, or to disclose any information, that in the Company's judgment is reasonably likely to result in the waiver of any attorney-client privilege, the disclosure of any trade secrets or other protected intellectual property of any third party, the contravention of any applicable Law, fiduciary duty or Contract, or the violation of any of their or its obligations with respect to confidentiality. All requests for information made pursuant to this Section 6.3 shall be directed by Parent to Xiaoying Zhong of Evercore Capital Partners, or such other Person as may be designated from time to time by the Company to receive such requests, and any such information received pursuant to this Section 6.3 shall be kept confidential and treated in accordance with the Confidentiality Agreement, the terms of which are incorporated herein by reference. None of Parent, Merger Sub, Intermediate Corp, or their respective Representatives shall at any time contact any customers of the Company without the prior written consent of the Company.

6.4 Alternative Transactions. The Company and its Subsidiaries agree that, from the date hereof to the earlier of the Closing Date or the termination of this Agreement, (a) they shall not, directly or indirectly, other than pursuant to the terms of this Agreement, (i) enter into any negotiations, discussions or agreements with any third parties, other than Parent, Merger Sub, Intermediate Corp and their Representatives, with respect to an Alternative Transaction, or (ii) solicit, accept, or approve any proposals or offers from any third parties, other than Parent, Intermediate Corp, Merger Sub and their Representatives, with respect to an Alternative Transaction, and (b) the Company shall, and shall cause its Affiliates and its and their respective directors, officers, employees, agents and other representatives to, (x) immediately cease and terminate any existing discussions, negotiations or communications with any Person (other than Parent, Intermediate Corp and their Affiliates) conducted heretofore or that may be ongoing with respect to any Alternative Transaction, and (y) not waive, terminate, modify or fail to enforce any provision of any confidentiality provisions to which the Company or any of its Subsidiaries is a party or of which the Company or its Subsidiaries is a beneficiary (other than with respect to Parent, Intermediate Corp and their Affiliates).

6.5 Employee Benefits.

(a) Parent and Intermediate Corp agree that each Employee who is employed by the Company or any of its Subsidiaries as of immediately prior to the Closing or who, as of the Closing, is receiving short-term or long-term disability or is on a part-time leave of absence (a "Continuing Employee") shall be provided, for a period extending from the Closing until the earlier of the termination of such Continuing Employee's employment with such any such entity or the first anniversary of the Closing Date, with base compensation, bonus opportunities (excluding equity-based compensation) and benefits that are no less favorable, in the aggregate, to the base compensation, bonus opportunities (excluding equity-based compensation) and benefits provided by the Company or any Subsidiaries of the Company to each such Continuing Employee immediately prior to the Closing Date.

(b) Parent and Intermediate Corp shall ensure that, as of the Closing Date, each Continuing Employee receives full credit for eligibility and vesting purposes (other than vesting of future equity awards) and for purposes of determining future vacation entitlement and severance benefits, but excluding benefit accrual under any defined benefit plan, for service with the Company or any of its Subsidiaries (or predecessor employers to the extent the Company or any of its Subsidiaries provides such past service credit under an applicable employee benefit plan) prior to the Closing Date under each of the comparable employee benefit plans, programs and policies of Parent, Intermediate Corp, the Company or the relevant Subsidiary, as applicable, in which such Continuing Employee becomes or may become a participant; provided, however, that no such service or recognition shall result in any duplication of benefits. As of the Closing Date, Parent and Intermediate Corp shall, or shall cause the Company or relevant Subsidiary to, credit to the Continuing Employees the amount of vacation time that such employees had accrued under any applicable Employee Benefit Plan as of the Closing Date. With respect to each group health plan maintained by Parent, Intermediate Corp, the Company or the relevant Subsidiary for the benefit of any Continuing Employees after the Closing Date, subject only to the required approval of the applicable insurance provider, if any (which Parent and Intermediate Corp shall use commercially reasonable efforts to obtain), Parent and Intermediate Corp shall (i) cause to be waived any eligibility waiting periods, any evidence of insurability requirements and the application of any pre-existing condition limitations under such plan (to the extent waived or satisfied prior to Closing); and (ii) cause each Continuing Employee to be given credit under such plan for all amounts paid by such Continuing Employee under any similar Employee Benefit Plan for the plan year that includes the Closing for purposes of applying deductibles, co-insurance and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the applicable plan maintained by Parent, Intermediate Corp, the Company or the relevant Subsidiary, as applicable, for the plan year in which the Closing Date occurs.

(c) Nothing in this Agreement (including this Section 6.5) shall (i) require Parent, Intermediate Corp, the Company or any of their Subsidiaries to continue to employ any particular Employee following the Closing Date, (ii) amend, or be deemed to amend or establish, any employee benefit plan, (iii) limit in any way Parent's,

Intermediate Corp's, the Company's or any of their Affiliates' ability to amend or terminate any Employee Benefit Plan at any time or (iv) confer upon any individual (including employees, retirees, or dependents or beneficiaries of employees or retirees) any right as a third-party beneficiary of this Agreement.

6.6 HSR Fees. Parent shall be responsible for any and all HSR Fees, and shall pay such fees upon such fees becoming due and payable.

6.7 Publicity. Any public announcement, whether by press release or otherwise, with respect to the existence or subject matter of this Agreement shall be mutually approved in writing in advance by Parent and the Company. Notwithstanding the foregoing, Parent may announce in a confidential manner the pendency of the transactions contemplated hereby to its Affiliates and each of its and their directors, officers, employees and to their limited partners and prospective limited partners in connection with fundraising and reporting activities.

6.8 Directors' and Officers' Indemnification.

(a) From and after the Closing, the Company shall, and Parent and Intermediate Corp shall cause the Company to, indemnify and hold harmless the individuals who at any time prior to the Closing were directors or officers of the Company or any of its Subsidiaries (the "Indemnified D&O Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities in connection with actions or omissions occurring at or prior to the Closing as provided in the bylaws of the Company and the organizational documents of each of its Subsidiaries (in each case as in effect on the date hereof) to the fullest extent permitted by Law, and the Company shall, and Parent and Intermediate Corp shall cause the Company to, promptly advance expenses as incurred to the fullest extent permitted by Law.

(b) Immediately prior to the Closing the Company shall purchase, as a Company Transaction Expense, a "tail" insurance policy (the "Tail Policy") of directors' and officers' liability insurance and fiduciary liability insurance with coverage substantially similar to the coverage historically maintained by the Company and its Subsidiaries for the Indemnified D&O Parties and any other employees, agents or other individuals] (collectively, the "Insured Parties") otherwise covered by such insurance policies at any time prior to the Closing (the "Existing D&O Policies") with respect to matters occurring at or prior to the Closing (including the transactions contemplated hereby) for a period of not less than six (6) years from the Closing (and without any gap in coverage) and provide written evidence to the board of directors of the Company prior to the Closing reasonably satisfactory to it that such Tail Policy will be in effect immediately after the Closing. The Company shall, and Parent and Intermediate Corp shall cause the Company to, maintain in effect the Tail Policy for not less than six (6) years from the Closing.

(c) This Section 6.8 is intended to benefit the Insured Parties and the Indemnified D&O Parties, and shall be binding on all successors and assigns of Parent, Intermediate Corp and the Company.

(d) In the event that the Company or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or (ii) transfers or conveys a majority of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors, assigns and transferees of the Company or its respective successors or assigns, as the case may be, assume the obligations set forth in this Section 6.8.

6.9 Tax Matters.

(a) Tax Indemnity. From and after the Closing Date, the Parent Indemnified Parties shall be indemnified from and against any Damages attributable to (i) Taxes of the Company and its Subsidiaries for any Pre-Closing Tax Period, (ii) any Taxes with respect to any Pre-Closing Tax Period of any member of an affiliated, consolidated, unitary or combined group of which the Company or any of its Subsidiaries (or any predecessor thereof) is or was a member before the Closing Date, including pursuant to Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign Law, (iii) any Taxes of any Person (other than the Company or any of its Subsidiaries) imposed on the Company or any of its Subsidiaries as a transferee, successor, by contract (excluding contracts with respect to which Taxes are an ancillary matter) or pursuant to any Law, which Taxes relate to an event or transaction occurring before the Closing Date, and (iv) Taxes of the Company or any of its Subsidiaries, and Taxes of any other Person for which the Company or any of its Subsidiaries is liable as a transferee, successor, by contract (excluding contracts with respect to which Taxes are an ancillary matter), or pursuant to any Law, in each such case to the extent such Taxes are attributable to any action taken by the Company or any of its Subsidiaries on the Closing Date that is not contemplated by this Agreement and was not taken at the direction of any of the Parent Indemnified Parties; *provided*, however, the aggregate Damages resulting from any such Taxes for which indemnification is sought pursuant to this Section 6.9(a) exceeds $20,000 in each instance or aggregated instances arising out of substantially similar or related facts and circumstances; *provided*, further, that the Parent Indemnified Parties shall not be entitled to any indemnification under this Section 6.9(a) with respect to any Taxes required to be collected from customers or withheld from any payment to any employee, independent contractor, creditor, or other third party and paid over to a Tax Authority to the extent such Taxes were (A) collected by the Company or any of its Subsidiaries prior to the Closing Date and (B) held for remittance to the relevant Tax Authority as of the Closing Date. For purposes of clauses (i) and (ii) of this Section 6.9(a), in the case of any Taxes that are imposed on a periodic basis and are payable for a Straddle Period, the portion of such Tax which relates to the portion of such Straddle Period ending on the day before the Closing Date shall (x) in the case of any Taxes other than Taxes based upon or related to income, receipts, or employment, be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the Straddle Period ending on the day before

the Closing Date and the denominator of which is the number of days in the entire Straddle Period, and (y) in the case of any Tax based upon or related to income, receipts, or employment be deemed equal to the amount which would be payable if the relevant taxable period ended on the day before the Closing Date.

(b) Voluntary Disclosure. Notwithstanding any other provision of this Agreement to the contrary, Parent may, based on a good faith determination that such action is appropriate to reduce potential Tax liabilities of the Company and its Subsidiaries related to Pre-Closing Tax Periods, initiate requests for voluntary disclosure relief with one or more state or local Tax Authorities relating to Pre-Closing Tax Period sales and use (and any similar) Taxes in circumstances in which Parent determines that the Company or any of its Subsidiaries should collect and remit such Taxes with respect to jurisdictions in which the Company and its Subsidiaries has not historically, prior to the Closing Date, collected and remitted such Taxes; provided, however, no such action shall be permitted without (i) the Company Shareholders' Representative's prior written consent (not to be unreasonably withheld or conditioned), and (ii) if desired by the Company Shareholders' Representative, including with the Company's request any information supplied by the Company Shareholders' Representative with respect to state and local income Taxes. Any liability of the Company or any of its Subsidiaries for Taxes arising as a result of actions taken by or at the direction of Parent pursuant to this Section 6.9(b) shall, for the avoidance of doubt, be subject to indemnification to the extent provided under Section 6.9(a).

(c) Pre-Closing Covenants. Prior to the Closing, (i) the Company shall not, and shall not permit any holder of Common Stock to, revoke, or take or allow any action that would result in the termination of, the Company's election to be taxed as an "S corporation" within the meaning of Sections 1361 and 1362 of the Code (other than the Contribution or the transactions contemplated by this Agreement) and (ii) without the prior written consent of Parent, neither the Company nor any of its Subsidiaries shall (A) make or change any federal or other material Tax election, (B) change an annual Tax accounting period, (C) change any method of accounting for Tax purposes, (D) file any amended federal or other material Tax Return, (E) enter into any closing agreement with the Internal Revenue Service or any material closing agreement with any other Tax Authority, (F) surrender any right to claim a material Tax refund, or (G) except with respect to any automatic extension of time to file any Tax Return, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment.

(d) Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other similar Taxes incurred in connection with this Agreement or the consummation of the transactions contemplated hereby ("Transfer Taxes") shall be paid by Intermediate Corp. Intermediate Corp shall, at its own expense, timely file with the appropriate Tax Authority all necessary Tax Returns and other documentation with respect to all such Transfer Taxes. Intermediate Corp shall provide the Company Shareholders' Representative with evidence satisfactory to the Company Shareholders' Representative that such Transfer Taxes have been paid by Intermediate Corp.

(e) Tax Returns.

(i) The Company, at the direction of the Company Shareholders' Representative, shall prepare or cause to be prepared and file or cause to be filed all income Tax Returns of the Company and its Subsidiaries for any taxable period ending on or before the Closing Date. All such income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law. No later than thirty (30) days prior to the due date (including extensions) for filing such income Tax Returns, the Company Shareholders' Representative shall deliver such income Tax Returns to Parent for its review, and the Company Shareholders' Representative shall consider in good faith any comments received from Parent at least ten (10) days prior to the due date for filing such income Tax Returns.

(ii) Parent shall prepare or cause to be prepared all non-income Tax Returns of the Company and its Subsidiaries for any Pre-Closing Tax Period. All such non-income Tax Returns shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Law. No later than thirty (30) days prior to the due date (including extensions) for filing such non-income Tax Returns, Parent shall deliver copies of completed drafts of such Tax Returns to the Company Shareholders' Representative, along with supporting workpapers, for her review, and Parent shall reflect in such non-income Tax Returns any reasonable comments not inconsistent with past practice received from the Company Shareholders' Representative at least ten (10) days prior to the due date for filing such Tax Returns.

(iii) Parent and Intermediate Corp shall not amend (or cause to be amended) any Tax Return of the Company or its Subsidiaries relating to any Pre-Closing Tax Period or make (or cause to be made) any Tax election that has retroactive effect to any such period, in each case without the prior written consent of the Company Shareholders' Representative (not to be unreasonably withheld, conditioned or delayed).

(f) Tax Contests.

(i) The Company Shareholders' Representative and Parent shall give prompt notice to each other of any Tax Contest with respect to Taxes or Tax Returns of the Company or its Subsidiaries for any Pre-Closing Tax Period.

(ii) The Company Shareholders' Representative, Parent and Intermediate Corp shall cooperate with each other in the conduct of any Tax Contest with respect to Taxes or Tax Returns of the Company or its Subsidiaries for any Pre-Closing Tax Period and each may participate at its own expense; provided, that the Company Shareholders' Representative may, at its election, control the conduct of any such Tax Contest for which any current or former shareholder of the Company may be liable for additional Tax, provided that, in the event the Company Shareholders' Representative elects to control any such Tax Contest, the Company Shareholders' Representative (i) shall keep Parent reasonably informed of all material developments that arise in connection with such Tax Contest, (ii) permit Parent to participate, at its own expense, in the conduct of such Tax Contest, and (iii) shall not settle any matter that arises in connection with such Tax Contest without Parent's prior written consent (not to be unreasonably withheld, conditioned or delayed).

(iii) Notwithstanding any other provision of this Agreement to the contrary, Parent shall not settle any matter that arises in connection with an action described in Section 6.9(b) without the Company Shareholders' Representative's prior written consent.

(iv) In the event of any conflict or overlap between the provisions of this Section 6.9(f) and Section 10.2(c), this Section 6.9(f) shall control.

(g) Refunds. The Seller Indemnified Parties shall be entitled to the amount of any refund or credit of Taxes of the Company and its Subsidiaries with respect to a Pre-Closing Tax Period, net of any cost (including incremental Taxes (e.g., federal income Tax on state Tax refunds) not otherwise subject to indemnification pursuant to Section 6.9(a)) to Parent and its Subsidiaries attributable to the obtaining and receipt of such refund or credit, except to the extent such refund or credit arises as the result of a carryback of a loss or other Tax benefit from a Tax period (or portion thereof) beginning on or after the Closing Date. Intermediate Corp shall pay, or cause to be paid, to the Seller Indemnified Parties any amount to which the Seller Indemnified Parties are entitled pursuant to the prior sentence within ten (10) days of the receipt or recognition of the applicable refund or credit by Parent or its Subsidiaries. To the extent requested by the Company Shareholders' Representative, Parent and its Subsidiaries will reasonably cooperate with the Company Shareholders' Representative in obtaining such refund or credit, including through the filing of amended Tax Returns or refund claims. To the extent such refund or credit is subsequently disallowed or required to be returned to the applicable Tax Authority, the Seller Indemnified Parties agree promptly to repay the amount of such refund or credit, together with any interest, penalties or other additional amounts imposed by such Tax Authority, to Intermediate Corp.

(h) Tax Benefits. To the extent that Parent, Intermediate Corp, the Company, the Surviving Company or any of their Subsidiaries (or any of their successors) (collectively, the "Parent Entities") has a deduction or net operating loss attributable to any payments of Option Merger Consideration in any taxable period ending after the Closing Date (a "Tax Benefit"), Intermediate Corp shall pay the Equity Holders the Tax Benefit Amount; provided, however, that in no event shall the aggregate amount of any payments under this Section 6.9(h) exceed Eight Million Dollars ($8,000,000); provided, further, that each Equity Holder shall be entitled to a portion of such payment based on the number of shares of Common Stock owned by such Equity Holder, or underlying such Equity Holder's Options (whether or not vested), as of the day before the Closing Date. Any such payment will be paid within thirty (30) days of the filing of any relevant Tax Return reflecting the applicable Tax Benefit.

6.10 Books and Records.

(a) From and after the Closing, Parent, Intermediate Corp and the Company shall, and shall cause their respective Affiliates to, retain all books and records relating to the Company and/or its Subsidiaries and their businesses in a manner reasonably consistent with the prior practices of the Company and its Subsidiaries for a period of six (6) years after the Closing Date. In addition to the foregoing, from and after the Closing, Parent, Intermediate Corp and the Company shall, and shall cause their respective Affiliates to, afford to the current and former shareholders of the Company, the Option Holders, and their respective Representatives, during normal business hours and upon reasonable notice, reasonable access to the personnel, books, records and other data relating to the Company and/or its Subsidiaries, and the right to make copies and extracts therefrom (i) to facilitate the investigation, litigation and final disposition of any claims or audits which may have been or may be made against any such party or its Affiliates or against the Escrow Account, (ii) for the preparation of Tax Returns and other documents and reports that such party or its Affiliates are required to file with Governmental Authorities or Tax Authorities, (iii) for Tax Contests, (iv) for accounting purposes and (v) for any other business purpose. The foregoing shall not require any party to permit any inspection, or to disclose any information, to the extent that such inspection or disclosure is reasonably likely to (x) result in the waiver of any attorney-client privilege, (y) violate applicable law or (z) violate in any material respect the terms of any agreement with a third party. Any information disclosed pursuant hereto must be kept confidential by the recipients of such information.

(b) The Company Shareholders and the Option Holders may retain (i) CD copies of the materials included on the Merrill Datasite or otherwise in connection with the Auction, and the transactions contemplated hereby, together with CD copies of all documents referred to in such materials, (ii) all internal correspondence and memoranda, drafts, valuations, investment banking presentations and bids received from other Persons in connection with the Auction, and the transactions contemplated hereby (which, to the extent in the possession of the Company and its Subsidiaries as of the Closing, shall be transferred by the Company and its Subsidiaries to the Company Shareholders' Representative at the Closing or otherwise destroyed by the Company and its Subsidiaries at the Closing and no copy thereof shall be retained by the Company or any of its Subsidiaries from and after the Closing), and (iii) copies of all consolidated and combined financial information and all other accounting records prepared or used in connection with the preparation of the Company Financial Statements.

6.11 Disclaimer Regarding Financial Data and Projections. In connection with Parent's, Intermediate Corp's and their respective Affiliates' and Representatives' investigation of the Company and its Subsidiaries, Parent, Intermediate Corp and such Affiliates and Representatives have received from the Company and its Representatives certain (a) financial data, (b) projections and other forecasts and (c) business plan information, in each case relating to the Company and its Subsidiaries. Parent and Intermediate Corp acknowledge that (i) there are uncertainties inherent in attempting to make any projections and other forecasts and plans, (ii) Parent and Intermediate Corp are familiar with such uncertainties, and (iii) Parent and Intermediate Corp are each taking full responsibility for making its own evaluation of the adequacy and, except as expressly set forth in ARTICLE IV, accuracy of all financial data, projections and other forecasts and plans so furnished to it. Accordingly, except as expressly set forth in ARTICLE IV, Parent and Intermediate Corp each agrees and acknowledges that (A) the Company has

not made, and is not making, any representation or warranty with respect to such financial data, projections, forecasts or plans and (B) no Parent Indemnified Party shall have any claim against any Person with respect thereto.

6.12 Confidentiality. Parent and Intermediate Corp each acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Parent and Intermediate Corp, as well as their Affiliates and Representatives, pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this Section 6.12 shall nonetheless continue in full force and effect.

6.13 Closing Date Disbursements and Calculation of Merger Consideration. At least three (3) Business Days prior to the Closing Date, the Company shall provide to Parent a certificate executed on behalf of the Company by an executive officer thereof setting forth (a) the aggregate amount of the Company Transaction Expenses, (b) the Common Stock Closing Consideration, (c) Option Closing Consideration, (d) the Note Payment, and (e) the number of shares of Common Stock issued and outstanding, or issuable subject to Options, as of the Closing Date. Such certificate shall also include the account or accounts which any portion of the Closing Date Disbursements and other amounts payable hereunder (other than the Escrow Amount) shall be paid by Parent and Intermediate Corp pursuant to Section 2.4 hereof. At or prior to Closing, the Company shall provide Parent with documents which confirm that upon payment of the Company Transaction Expenses, each Person that is to be paid a Company Transaction Expense shall have been paid in full for all services rendered and expenses incurred, to or on behalf of the Company, on or prior to the Closing Date. In all cases, such certificate and documents shall, to the extent necessary, be updated by the Company on or prior to the Closing Date to reflect the actual amounts owed on such date.

ARTICLE VII
CONDITIONS TO PARENT'S, INTERMEDIATE CORP'S AND MERGER SUB'S OBLIGATIONS

The obligation of Parent, Intermediate Corp and Merger Sub to consummate the transactions contemplated hereby, and to take the other actions to be taken by Parent at Closing, is subject to the fulfillment or waiver of each of the following conditions:

7.1 Representations and Warranties. The representations and warranties of the Company contained in ARTICLE IV shall be true and correct (determined without regard to any qualification therein as to materiality or Material Adverse Effect) on and as of the date of this Agreement (unless the inaccuracy or inaccuracies as of the date of this Agreement which would otherwise result in a failure of this condition have been cured as of the Closing) and as of the Closing Date as though made on and as of the Closing Date (other than such representations and warranties that are expressly made as of a certain date, which need only be true and correct as of such date), except in each case, where failures of such representations and warranties to be true and correct would not, individually or in the aggregate, have a Material Adverse Effect.

7.2 Covenants. The Company shall have complied in all material respects with all of its covenants and obligations required to be performed by it under this Agreement at or prior to the Closing.

7.3 Litigation. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order that is in effect and restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby (each, a "Governmental Prohibition").

7.4 HSR Act. The waiting period applicable to the transactions contemplated hereby under the HSR Act shall have expired or been terminated.

7.5 No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred a Material Adverse Effect.

7.6 Company Closing Deliveries. The Company shall have delivered to Parent the following deliveries:

(a) a certificate, dated as of the Closing Date and signed by an executive officer of the Company, certifying that each of the conditions set forth in Sections 7.1 and 7.2 have been satisfied;

(b) a certificate, dated as of the Closing Date and signed by an executive officer of the Company, certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of the Company authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the board resolutions adopted in connection with the transactions contemplated hereby;

(c) a certificate, dated as of the Closing Date and signed by an executive officer of the Company, certifying the names and signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered hereunder; and

(d) a duly completed and executed affidavit, issued pursuant to Sections 1.897-2(h) and 1.1445-2(c) of the Treasury Regulations, certifying that the shares of Common Stock are not United States real property interests within the meaning of Section 897(c) of the Code.

ARTICLE VIII
CONDITIONS TO THE COMPANY'S OBLIGATIONS

The obligation of the Company to consummate the transactions contemplated hereby, and to take the other actions to be taken by the Company at the Closing, is subject to the fulfillment or waiver of each of the following conditions:

8.1 Representations and Warranties. The representations and warranties of Parent, Intermediate Corp and Merger Sub contained in ARTICLE V shall be true and correct in all material respects (except for such representations and warranties as are qualified by materiality, which representations and warranties shall be true and correct in all respects) on and as of the date of this Agreement (unless the inaccuracy or inaccuracies as of the date of this Agreement which would otherwise result in a failure of this condition have been cured as of the Closing) and as of the Closing Date as though made on and as of the Closing Date (other than such representations and warranties that are expressly made as of a certain date, which need only be true and correct in all material respects or true and correct, as the case may be, as of such date).

8.2 Covenants. Parent, Intermediate Corp and Merger Sub shall have complied in all material respects with all of its covenants and obligations required to be performed by Parent, Intermediate Corp or Merger Sub under this Agreement at or prior to the Closing.

8.3 Litigation. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Prohibition.

8.4 HSR Act. The waiting period applicable to the transactions contemplated hereby under the HSR Act shall have expired.

8.5 Parent's Closing Deliveries. Parent shall have delivered to the Company (or, with respect to Section 8.5(d), as specified in Section 2.4) the following deliveries:

(a) a certificate, dated as of the Closing Date and signed by an executive officer of each of Parent, Intermediate Corp and Merger Sub, certifying that each of the conditions set forth in Section 8.1 and Section 8.2 have been satisfied;

(b) a certificate, dated as of the Closing Date and signed by an executive officer of each of Parent, Intermediate Corp and Merger Sub, certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Parent, Intermediate Corp and Merger Sub authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the board resolutions adopted in connection with the transactions contemplated hereby;

(c) a certificate, dated as of the Closing Date and signed by an executive officer of each of Parent, Intermediate Corp and Merger Sub, certifying the names and signatures of the officers of Parent, Intermediate Corp and Merger Sub authorized to sign this Agreement and the other documents to be delivered hereunder; and

(d) all payments specified in Section 2.4, by wire transfer in immediately available funds, to the parties, in the amounts and otherwise in accordance with Section 2.4.

ARTICLE IX
TERMINATION

9.1 Generally. This Agreement may be terminated prior to the Closing:

(a) by mutual written consent of Parent, on the one hand, and the Company, on the other hand,

(b) by either Parent or the Company, upon written notice to the other, if the Closing shall not have occurred on or before November 9, 2013 (or such other date as may have been agreed upon in writing by Parent and the Company, the "Outside Date"); provided, however, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to any Party whose failure to comply with any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Outside Date, and provided further, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to Parent if the condition to the Company's obligations to effect the Merger set forth in Section 8.4 has not been satisfied for any reason;

(c) by Parent, upon written notice to the Company, if the Company is in breach of this Agreement, which breach would give rise to a failure of a condition set forth in Section 7.1 or 7.2 and (i) if such breach can be cured, the Company has failed to cure such breach within thirty (30) days of the receipt by the Company of written notice of such breach from Parent or (ii) if such breach can be cured but cannot reasonably be cured by the Company within such thirty (30) day period, the Company has failed to commence the curing of such breach within such thirty (30) day period and thereafter has failed to use its reasonable best efforts to cure such breach as promptly as practicable;

(d) by the Company, upon written notice to Parent, if Parent, Intermediate Corp or Merger Sub is in breach of this Agreement, which breach would give rise to a failure of a condition set forth in Section 8.1 or 8.2 and (i) if such breach can be cured, Parent, Intermediate Corp or Merger Sub, as applicable, has failed to cure such breach within thirty (30) days of the receipt by Parent of written notice of such breach from the Company or (ii) if such breach can be cured but cannot reasonably be cured by Parent, Intermediate Corp or Merger Sub, as applicable, within such thirty (30) day period, Parent, Intermediate Corp or Merger Sub, as applicable, has failed to commence the curing of such breach within such thirty (30) day period and thereafter has failed to use its reasonable best efforts to cure such breach as promptly as practicable; or

(e) by either Parent or the Company, upon written notice to the other, if the conditions to the respective obligations of the parties hereto pursuant to Sections 7.4 and 8.4, as applicable, to effect the Merger cannot be satisfied because, notwithstanding the compliance with Section 6.2 by Parent and its Affiliates, a Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Governmental Prohibition, and such Governmental Prohibition shall have become final and non-appealable, in each case having the effect of permanently restraining, enjoining or otherwise permanently prohibiting the Merger; provided, that this Section 9.1(e) shall not permit a party to terminate this Agreement if such party is in breach of or default under this Agreement.

9.2 Effect of Termination. In the event of termination of this Agreement and the transactions contemplated hereby as provided in Section 9.1, this Agreement shall forthwith become void and of no further force or effect and there shall be no liability on the part of either party hereto except (a) that the obligations in Section 6.7 (Publicity), Section 6.12 (Confidentiality) and ARTICLE XI (Miscellaneous), and the applicable definitions set forth in this Agreement, shall survive the termination of this Agreement, and (b) that nothing herein shall relieve any party hereto from liability for any breach by such party of the terms and provisions of this Agreement.

ARTICLE X
INDEMNIFICATION

10.1 Survival. Except for the representations and warranties set forth in Sections 4.1 (Organization and Good Standing), 4.2 (Authority and Enforceability; Ownership of Shares), 4.3 (Non-Contravention), 4.5 (Capitalization; Subsidiaries), 4.15 (Taxes), and 4.20 (Brokers and Finders) (the "Fundamental Representations"), which shall survive until thirty (30) days after expiration of the applicable statute of limitations (after giving effect to any extensions or waivers thereof agreed to by Parent and the Company Shareholders' Representative), each representation, warranty, covenant and agreement contained in this Agreement shall survive the Closing and continue in full force and effect until the Escrow Release Date, on which date such representations, warranties, covenants and agreements shall expire automatically; provided, that any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this ARTICLE X, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 10.1 to the extent notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given in accordance with this Agreement to the party against whom such indemnity may be sought under this Agreement prior to such time. Upon or after the expiration of a representation, warranty, covenant or agreement, no claim or Proceeding may be initiated by any Indemnified Party with respect thereto, regardless of any statute of limitations period that would otherwise apply. Notwithstanding the foregoing, covenants and agreements of Parent, Intermediate Corp and the Surviving Corporation to be performed after the Escrow Release Date shall not expire on such date but continue in full force and effect in accordance with their terms.

10.2 Indemnification. Subject to Sections 10.1 and 10.3:

(a) By the Equity Holders. From and after the Closing Date, Parent, Intermediate Corp and their successors and permitted assigns and each of the foregoing's respective directors, officers, managers, employees and agents (Parent, Intermediate Corp and such other Persons, collectively, the "Parent Indemnified Parties") shall be indemnified from the Escrow Account and by the Equity Holders from and against, without duplication, (i) Damages actually incurred by the Parent Indemnified Parties resulting from the breach of any representation or warranty made by the Company under ARTICLE IV, (ii) Damages actually incurred by the Parent Indemnified Parties resulting from the breach of any covenant or agreement herein to be performed at or prior to the Closing by the Company; (iii) any Company Indebtedness or Company Transaction Expenses (to the extent not included in the Closing Date Disbursements or reflected in the calculation of the Closing Adjustment); or (iv) any Dissenters Costs; provided, that the aggregate Damages resulting from any breach set forth in clause (i) above exceeds $20,000 in each instance or aggregated instances arising out of substantially similar or related facts and circumstances.

(b) By Parent and Intermediate Corp. From and after the Closing, Parent, Intermediate Corp and the Surviving Corporation shall indemnify, save and hold harmless the Company Shareholders, Option Holders and their respective successors and permitted assigns and each of the foregoing's respective directors, officers, managers employees and agents (the Company Shareholders, Option Holders and such other Persons, collectively, the "Seller Indemnified Parties") from and against Damages incurred by Seller Indemnified Parties arising out of or resulting from, without duplication: (i) the breach of any representation or warranty made by Parent, Intermediate Corp or Merger Sub in ARTICLE V, or (ii) the breach of any covenant or agreement herein to be performed by Parent, Intermediate Corp or Merger Sub, or the breach of any covenant or agreement herein to be performed by the Company after the Closing; provided, that the aggregate Damages arising out of or resulting from any breach set forth in clause (i) above exceeds $20,000 in each instance or aggregated instances arising out of substantially similar or related facts and circumstances.

(c) Procedure. Any party seeking indemnification under Section 6.9 or this Section 10.2 (an "Indemnified Party") shall give to the party or parties from whom indemnification is being sought (an "Indemnifying Party") written notice promptly after becoming aware of any fact, condition or event for which indemnification might be sought under Section 6.9 or this Section 10.2, which written notice shall (i) specify in reasonable detail all relevant facts, conditions and events; (ii) identify the specific provisions of this Agreement which give rise to such indemnification right; (iii) include a good-faith estimate of the amount of Damages for which the Indemnified Party is seeking indemnification from the Indemnifying Party, calculated in accordance with Section 10.3, and (iv) include copies of all written evidence thereof and third party correspondence related thereto; provided, that in the case of an Indemnified Party that is a Parent Indemnified Party, "Indemnifying Party" shall be deemed to mean the Company Shareholders' Representative in its capacity as the Company Shareholders' Representative, and in the case of an Indemnifying Party that is Parent, Intermediate Corp or the Surviving Corporation, "Indemnified Party" shall be deemed to mean the Company Shareholders' Representative in its capacity as the Company Shareholders'

Representative. The liability of an Indemnifying Party under Section 6.9 or this Section 10.2 with respect to Damages arising from claims of any third party which are subject to the indemnification provided for in Section 6.9 or this Section 10.2 ("Third Party Claims") shall be governed by and contingent upon the following additional terms and conditions: If an Indemnified Party shall receive notice or otherwise learn of any Third Party Claim, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim within thirty (30) Business Days of the receipt by the Indemnified Party of such notice or awareness; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under Section 6.9 or this Section 10.2, except to the extent the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party shall be entitled to assume and control the defense of such Third Party Claim at the Indemnifying Party's expense and through counsel of the Indemnifying Party's choice; provided, however, the Indemnifying Party shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Indemnified Party) and shall pay the fees and expenses of counsel retained by the Indemnified Party (1) to the extent the claim for indemnification is in connection with any criminal proceeding, action, indictment, allegation or investigation against or targeting the Indemnified Party; (2) if the claim is a motion for a temporary restraining order or preliminary injunction against the Indemnified Party; (3) there exists a material conflict of interest (other than one of a monetary nature) that would make it inappropriate for the same counsel to represent both the Indemnified Party and the Indemnifying Party; (4) the claim is solely against the Escrow Account, and the Indemnified Party reasonably believes that the maximum amount that the Indemnified Party could then recover under the applicable provisions of this ARTICLE X would be less than thirty percent (30%) of the Damages relating to the claim; or (5) upon petition by the Indemnified Party, the court with applicable jurisdiction rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such claim. In the event the Indemnifying Party exercises its right to undertake any such defense against any such Third Party Claim as provided above, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably requested by the Indemnifying Party. The Indemnifying Party shall not, without the written consent of the Indemnified Party, (A) settle or compromise any Third Party Claim or consent to the entry of any judgment that does not include an unconditional written release by the claimant or plaintiff of the Indemnified Party from all liability in respect of such Third Party Claim or (B) settle or compromise any Third Party Claim if the settlement imposes equitable remedies or material obligations on the Indemnified Party other than financial obligations for which such Indemnified Party will be indemnified hereunder. No Indemnified Party shall settle or compromise any Third Party Claim, without the written consent of the Indemnifying Party in its sole and absolute discretion.

(d) Definition of Damages. The term "Damages" means any and all costs, losses, liabilities, Taxes, obligations, damages, settlements, and expenses, including reasonable attorneys' fees. **NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY,**

NO INDEMNIFYING PARTY HERETO SHALL BE REQUIRED TO INDEMNIFY OR HOLD HARMLESS ANY INDEMNIFIED PARTY HERETO FOR PUNITIVE OR EXEMPLARY DAMAGES EXCEPT TO THE EXTENT PAID OR REQUIRED TO BE PAID TO A THIRD PARTY. For purposes of determining the amount of Damages recoverable by an Indemnified Party (as defined below), the representations, warranties, covenants and other agreements set forth in this Agreement shall be construed as if any qualification or limitation with respect to materiality, whether by reference to the terms "material," "in all material respects," "in any material respect," "Material Adverse Effect" or similar words were omitted from the text of such representations, warranties, covenants and agreements.

(e) Payment for indemnification obligations arising under Section 6.9 or this Section 10.2 shall be subject to the limitations set forth in Section 10.3.

10.3 Limits on Indemnification. Notwithstanding anything to the contrary contained in this Agreement:

(a) no amount shall be payable pursuant to Section 10.2(a)(i) (other than with respect to Fundamental Representations) until the aggregate amount of all claims for Damages that are indemnifiable pursuant to Section 10.2(a)(i) exceeds Two Million Dollars ($2,000,000), and then only for the amount by which such Damages exceed such threshold amount;

(b) no amount shall be payable pursuant to Section 10.2(b)(i) until the aggregate amount of all claims for Damages that are indemnifiable pursuant to Section 10.2(b)(i) exceeds Two Million Dollars ($2,000,000), and then only for the amount by which such Damages exceed such threshold amount;

(c) all amounts payable to the Parent Indemnified Parties pursuant to Section 6.9 and Section 10.2(a) shall first be paid out of the available Escrow Amount and after the Escrow Amount is exhausted, shall be paid by the Equity Holders, on a several (and not joint) basis (in accordance with each Equity Holder's respective Pro Rata Share) and in accordance with the limitations contained herein;

(d) the maximum aggregate amount of Damages for which indemnity may be recovered by the Parent Indemnified Parties from the Equity Holders pursuant to Section 10.2(a) (other than with respect to Fundamental Representations) shall be Ten Million Dollars ($10,000,000);

(e) in no event shall any Equity Holder's aggregate liability pursuant to this Agreement exceed such Equity Holder's Pro Rata Share of the Aggregate Closing Consideration;

(f) the maximum aggregate amount of Damages for which indemnity may be recovered by the Seller Indemnified Parties from Parent and Intermediate Corp pursuant to Section 10.2(b) (other than respect to Sections 5.1 (Organization and Good Standing), 5.2 (Authority and Enforceability), 5.3 (Non-Contravention), 5.6 (Brokers and Finders), 5.7 (No Financing Condition)) shall be Ten Million Dollars ($10,000,000);

(g) the amount of any Damages claimed by any Indemnified Party hereunder shall be net of any insurance, indemnity, contribution or other payments or recoveries of a like nature with respect thereto actually received by such Indemnified Party (it being agreed that, promptly after the realization of any such reductions of Damages pursuant hereto, such Indemnified Party shall remit the amount of such reductions to the Indemnifying Party, up to the amount previously paid by the Indemnifying Party to Indemnified Party with respect to such Damages) less the costs incurred to collect such amounts and less the amount of any actual premium increases directly resulting therefrom;

(h) an Indemnified Party shall not be entitled under this Agreement to multiple recovery for the same Damages;

(i) in determining the amount of indemnification due under this Agreement, all payments shall be reduced by any Tax benefit realized by the Indemnified Party on account of the underlying claim in the taxable period in which the Damages attributable to such underlying claims were incurred, and in computing the amount of any such Tax benefit, any item of loss, deduction or credit resulting from such underlying claim shall be treated as the last marginal item of loss, deduction or credit recognized by the Indemnified Party;

(j) if an Indemnified Party recovers Damages from an Indemnifying Party under this Agreement, the Indemnifying Party shall be subrogated, to the extent of such recovery, to the Indemnified Party's rights against any third party, with respect to such recovered Damages, and the Indemnified Party shall reasonably cooperate in connection therewith; and

(k) in no event shall the amount of any Damages for which indemnity may be recovered by the Parent Indemnified Parties pursuant to this Agreement include any costs or expenses of advisors retained to develop any strategy for or prepare or assist with any analysis of sales and use tax matters, including in connection with preparing for or bringing actions of the type described in Section 6.9(b).

10.4 Exclusive Remedy. Each party hereby acknowledges and agrees that, from and after the Closing, its sole and exclusive remedy relating to the Business, the Company, this Agreement, the transactions contemplated hereby or the subject matter of this Agreement (other than claims for or in the nature of fraud) shall be pursuant to the indemnification provisions of this ARTICLE X or in Section 6.9 and, in the case of the Parent Indemnified Parties, shall be to collect any amounts in the Escrow Account or, solely in the case of breaches of Fundamental Representations or claims for indemnification under Section 6.9, as otherwise set forth in this ARTICLE X or in Section 6.9. In furtherance of the foregoing, each party hereto hereby waives, from and after the Closing, to the fullest extent permitted by Law, any and all other rights, claims and causes of action it may have against each other party or its Affiliates, successors and

permitted assigns and each of the foregoing's respective shareholders, option holders, members, partners, directors, managers, officers, employees and agents relating to the Business, the Company, the transactions contemplated hereby or the subject matter of this Agreement (other than claims for fraud).

10.5 Mitigation. Each Indemnified Party shall use its commercially reasonable efforts to mitigate any Damages for which it may claim indemnification under this ARTICLE X. To the extent that the operations of the Company and its Subsidiaries after the Closing (excluding the filing of any Tax Return (other than any amended Tax Return to which Section 6.9(e)(iii) applies), payment of any Taxes, collection of Taxes from any customer, or withholding of any Taxes from any employee, independent contractor, creditor or other third party, that, in each case, is required by applicable Law) are determined by a court of competent jurisdiction to have contributed to or aggravated any Damages as to which indemnification is available under this ARTICLE X, the court shall ascertain the amount, if any, by which such operations have contributed to or aggravated any such Damages and may reduce the indemnification obligation under Section 10.2(a) by such amount.

10.6 Adjustment to Purchase Price. For Tax purposes, all indemnification payments made pursuant to this Agreement shall be deemed to be adjustments to the Total Purchase Price received hereunder and shall be treated as such by Parent, Intermediate Corp and the Company Shareholders and Option Holders on their Tax Returns to the extent permitted by Law.

ARTICLE XI
MISCELLANEOUS

11.1 Further Assurances. Without limitation of Section 6.2, each party hereto shall use its reasonable best efforts to do and perform, or cause to be done and performed, all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments or documents as any other party hereto may reasonably request in order to carry out the intent and purposes of this Agreement and the consummation of the transactions contemplated hereby.

11.2 Notices. All notices, requests, instructions, claims, demands, consents, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date delivered (or, if delivery is refused, upon presentment) by hand or by internationally recognized courier service with delivery confirmation such as Federal Express, or (b) upon receipt by facsimile transmission (with confirmation), or (c) upon delivery by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses:

If to Parent, Intermediate Corp, Merger Sub or the Surviving Corporation:

c/o Silver Lake Sumeru
2775 Sand Hill Road
Menlo Park, California 94025
Facsimile: ###
Attention: Hollie Moore Haynes

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

Kirkland & Ellis LLP
3330 Hillview Avenue
Palo Alto, CA 94025
Facsimile: ###
Attention: Adam D. Phillips

If to the Company or the Company Shareholders' Representative:

BlackLine Systems, Inc.
21300 Victory Blvd.
12th Floor Woodland Hills, CA 91367
Facsimile: N/A
Attention: Therese Tucker

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

Munger, Tolles & Olson LLP
355 South Grand Avenue
35th Floor
Los Angeles, California 90071-1560
Facsimile: ###
Attention: Mary Ann Todd

or to such other Persons or addresses as the Person to whom notice is given may have previously furnished to the other parties hereto in writing in the manner set forth above (provided, that any notice of any change of address shall be effective only upon receipt thereof).

11.3 Entire Agreement. This Agreement, including the Exhibits and Schedules attached hereto, the Company Disclosure Schedules, the Confidentiality Agreement, and any agreement, certificate, instrument or other document executed and delivered in connection herewith, constitute the entire agreement and understanding of the parties hereto, and supersede all other prior covenants, agreements, undertakings, obligations, promises, arrangements, communications, representations and warranties, whether oral or written, by any party hereto or by any shareholder, member, partner, director, officer, manager, employee, agent, Affiliate or representative of any party hereto.

11.4 Enforcement. The parties hereto agree that prior to the Closing, irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that any of the provisions of this Agreement were not performed by the parties hereto in accordance with their specific terms (including failing to take such actions as are required of it hereunder to consummate the transactions contemplated hereby) or were otherwise breached or violated by the parties hereto. The parties hereto agree and acknowledge that prior to the Closing, each of the parties hereto shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement by another party hereto and to enforce specifically the terms and provisions hereof against the other parties hereto, in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereto agrees and acknowledges that such party will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that there is an adequate remedy at law or that any award of specific performance is not an appropriate remedy for any reason at law or in equity. In seeking an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the terms and provisions of this Agreement, no party hereto shall be required to provide any bond or other security.

11.5 Transaction Expenses. Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each party hereto shall pay its own fees, costs and expenses incident to the negotiation, preparation, drafting, execution, delivery, performance and closing of this Agreement and the transactions contemplated hereby, including the fees and expenses of its own counsel, accountants and other experts; provided, however, that Parent shall be responsible for all filing and other similar fees payable in connection with any filings or submissions under HSR Act.

11.6 No Right of Set-Off. Each of Parent and Intermediate Corp, for itself and for its Affiliates, successors and permitted assigns, including Merger Sub, hereby unconditionally and irrevocably waives any rights of set-off, netting, offset, recoupment or similar rights that Parent, Intermediate Corp or any of their Affiliates, successors and permitted assigns, including Merger Sub, has or may have with respect to any payment to be made by Parent or Intermediate Corp pursuant to this Agreement or any agreement, certificate, instrument or other document executed and delivered by Parent or Intermediate Corp in connection herewith.

11.7 Amendments. This Agreement may be amended or otherwise modified only by a written instrument duly executed by each of the parties hereto, including the Company Shareholders' Representative.

11.8 Assignments; No Third Party Rights.

(a) Except as provided in ARTICLE III (Conversion of Common Stock), Section 6.5 (Employee Benefits), Section 6.8 (Directors' and Officers' Indemnification), Section 6.10 (Books and Records) and ARTICLE X (Indemnification), no party hereto may assign, in whole or in part, any of its rights, interest or obligations

under this Agreement without the prior written consent of the other parties hereto and any purported assignment without such consent shall be void; provided, however, that Parent, Intermediate Corp and the Surviving Corporation may assign their rights, interests and obligations to a purchaser of any such entity.

(b) Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties hereto, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement or any provision of this Agreement, except as expressly set forth herein. This Agreement and all of its provisions and conditions are binding upon, are for the sole and exclusive benefit of, and are enforceable by the parties hereto and their respective successors and permitted assigns.

11.9 Waiver. No breach of any provision hereof shall be deemed waived unless expressly waived in writing by the party hereto who may assert such breach. No waiver that may be given by a party hereto shall be applicable except in the specific instance for which it is given. No waiver of any provision hereof shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall any such waiver constitute a continuing waiver, unless otherwise expressly provided therein. Except where a specific period for action or inaction is provided in this Agreement, neither the failure nor any delay on the part of any party hereto in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies of the parties hereto are cumulative and not alternative.

11.10 Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without invalidating the remainder of such provision or provisions or the remaining provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein, unless such a construction would be unreasonable.

11.11 Governing Law; Jurisdiction; Venue.

(a) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE. Each of the parties hereto (i) shall submit itself to the exclusive jurisdiction of any federal court located in the State of California or any California state court having subject matter jurisdiction in the event any dispute arises out of this Agreement, (ii) agrees that venue will be proper as to proceedings brought in any such court with respect to such a dispute, (iii) will not attempt

to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court, and (iv) agrees to accept service of process at its address for notices pursuant to this Agreement in any such action or proceeding brought in any such court. With respect to any such action, service of process upon any party hereto in the manner provided in Section 11.2 for the giving of notices shall be deemed, in every respect, effective service of process upon such party.

11.12 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence. The parties hereto acknowledge that each will be relying upon the timely performance by the other of its obligations hereunder as a material inducement to such party's execution of this Agreement.

11.13 Construction. This Agreement shall be deemed to have been drafted jointly by the parties hereto. Every term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party hereto.

11.14 Incorporation by Reference. Each Exhibit and Schedule attached hereto and referred to herein is incorporated in this Agreement by reference and shall be considered part of this Agreement as if fully set forth herein, unless this Agreement expressly otherwise provides.

11.15 Headings. The descriptive headings used in this Agreement have been inserted for convenience of reference only, and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

11.16 Counterparts. This Agreement may be executed (including by facsimile transmission or by e-mail of a .pdf attachment) in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree and acknowledge that delivery of a signature by facsimile, e-mail or other means of electronic transmission shall constitute execution by such signatory.

11.17 Company Shareholders' Representative.

(a) Therese Tucker is hereby appointed as agent and attorney-in-fact for and on behalf of each of the holders of Common Stock and the Option Holders (the "Company Shareholders' Representative"), to give and receive notices, to agree to, negotiate and enter into settlements and compromises of claims, to demand, prosecute and defend claims arising out of this Agreement, the Escrow Agreement and the Paying Agent Agreement and to comply with orders of courts and determinations and awards with respect to claims, to amend, modify and waive any provision under this Agreement, the Escrow Agreement and the Paying Agent Agreement, and to take all actions necessary or appropriate in the judgment of the Company Shareholders' Representative for the accomplishment of the foregoing. Such agency may be changed by the consent of a majority-in-interest of the holders of Common Stock and Options from time to time upon not less than thirty (30) calendar days' prior written notice to Parent. Any vacancy

in the position of Company Shareholders' Representative shall be filled by a majority-in-interest of the holders of Common Stock and Options. The Company Shareholders' Representative may resign upon thirty (30) calendar days' prior written notice to Parent provided that no such resignation shall become effective until the appointment of a successor Company Shareholders' Representative. No bond shall be required of the Company Shareholders' Representative, and the Company Shareholders' Representative shall not receive compensation for her services. Notices or communications to or from the Company Shareholders' Representative shall constitute notice to or from each holder of Common Stock and each Option Holder.

(b) The Company Shareholders' Representative shall not have any liability for any Damages to any holder of Common Stock or any Option Holder for any action taken or suffered or omitted to be taken by her hereunder as Company Shareholders' Representative, except as caused by the Company Shareholder Representative's gross negligence or willful misconduct. The Company Shareholders' Representative may, in all questions arising hereunder, rely on the advice of counsel and the Company Shareholders' Representative shall not be liable to any holder of Common Stock or any Option Holder for anything done, omitted or suffered by the Company Shareholders' Representative based on such advice. The Company Shareholders' Representative undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, the Escrow Agreement and the Paying Agent Agreement, and no implied covenants or obligations shall be read into this Agreement against the Company Shareholders' Representative.

(c) A decision, act, consent or instruction of the Company Shareholders' Representative shall be deemed to have been taken or given on behalf of all holders of Common Stock and Option Holders and shall be final, binding and conclusive upon all holders of Common Stock and Option Holders, and Parent and Intermediate Corp may rely upon any such decision, act, consent or instruction of the Company Shareholders' Representative as being the decision, act, consent or instruction of, and binding on, each holder of Common Stock and each Option Holder. Parent, Intermediate Corp, the Company and their respective Representatives are hereby relieved from any liability to any Person for any acts done by them in accordance with such decision, act, consent or instruction of the Company Shareholders' Representative.

11.18 Conflicts of Interest; Waiver; Assignment. Parent and Intermediate Corp hereby acknowledge, agree and expressly consent, on behalf of themselves and all other Parent Indemnified Parties, that, notwithstanding the prior, present and/or future representation of the Company by Munger, Tolles & Olson LLP and individual lawyers currently at such firm, with respect to any negotiation, dispute or other proceeding that may arise between Parent, Intermediate Corp or any other Parent Indemnified Party or the Surviving Company, on the one hand, and any of the Equity Holders and/or the Company Shareholders' Representative, on the other hand, whether concerning this Agreement or any other matter (hereinafter a "Future Proceeding"), the Company Shareholders' Representative and any Equity Holder may be represented in such Future Proceeding by Munger, Tolles & Olson LLP and any one or more of such individual lawyers, and Parent, Intermediate Corp and the Surviving Company expressly waive any and all rights

to assert any conflict of interest on the part of Munger, Tolles & Olson LLP or any of such individual lawyers with respect to such representation. In addition, Parent and Intermediate Corp, on behalf of themselves, the Surviving Company and any other Parent Indemnified Parties, hereby acknowledge and agree that, immediately prior to the Effective Time, all rights to Munger, Tolles & Olson LLP's files and work product with respect to its representation of the Company in connection with the Auction shall be assigned to, and become the sole property of, the Company Shareholders' Representative, who shall control all rights with respect to the attorney-client privilege contained therein.

[*Remainder of Page Intentionally Left Blank*]

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

SLS BREEZE HOLDINGS, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

Signature Page to Agreement and Plan of Merger

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

SLS BREEZE INTERMEDIATE HOLDINGS, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

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

SLS BREEZE MERGER SUB, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

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

BLACKLINE SYSTEMS, INC.

By: /s/ Therese Tucker
Name: Therese Tucker
Title: CEO

Acknowledged and agreed, as of the date first above written, solely with respect to the Company Shareholders' Representative's rights and obligations set forth herein under Sections 6.9, 6.10(b), 10.2, 10.3, 11.7, 11.17 and the related definitions and solely in her capacity as the Company Shareholders' Representative:

/s/ Therese Tucker
Therese Tucker

Exhibit 3.1

CERTIFICATE OF AMENDMENT

TO

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

SLS BREEZE HOLDINGS, INC.

****

Adopted in accordance with the provisions of Section 242 and Section 245 of the General Corporation Law of the State of Delaware

****

The undersigned, being the duly elected President and Chief Executive Officer of SLS Breeze Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

1. The Corporation filed its Certificate of Incorporation with the Delaware Secretary of State on August 5, 2013 under the name SLS Breeze Holdings, Inc., which Certificate of Incorporation was amended and restated on September 3, 2013 (as amended and restated, the "Amended and Restated Certificate of Incorporation").

2. The Board of Directors of the Corporation, pursuant to unanimous written consent, adopted the resolutions set forth below proposing the amendment and restatement of the Amended and Restated Certificate of Incorporation of the Corporation (the "Restatement"):

"RESOLVED, that the Amended and Restated Certificate of Incorporation of the Corporation be, and hereby is, amended and restated in its entirety in accordance with the provisions of Section 242 and Section 245 of the General Corporation Law of the State of Delaware as set forth on **Exhibit A** attached hereto and made a part hereof."

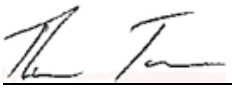
3. The Restatement was duly adopted in accordance with Section 242 and Section 245 of the General Corporation Law of the State of Delaware by the Board of Directors of the Corporation.

4. The Restatement was duly adopted in accordance with Section 228 and Section 242 of the General Corporation Law of the State of Delaware, by the stockholders of the Corporation.

* * * * *

IN WITNESS WHEREOF, the undersigned does hereby certify under penalty of perjury that this Certificate of Amendment to Amended and Restated Certificate of Incorporation is the act and deed of the Corporation, and the facts stated herein are true, and accordingly has hereunto set his hand on this day of August, 2014.

SLS BREEZE HOLDINGS, INC.
a Delaware corporation

By: 

Therese Tucker
President and Chief Executive Officer

Exhibit A

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

BLACKLINE, INC.

ARTICLE ONE

The name of the corporation is BlackLine, Inc.

ARTICLE TWO

The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE THREE

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE FOUR

The total number of shares of stock which the corporation has authority to issue is two-hundred and fifty million (250,000,000) shares of Common Stock, with a par value of $0.01 per share.

ARTICLE FIVE

The corporation is to have perpetual existence.

ARTICLE SIX

In furtherance and not in limitation of the powers conferred by statute, the board of directors of the corporation is expressly authorized to make, alter or repeal the by-laws of the corporation.

ARTICLE SEVEN

The board of directors of the corporation shall initially consist of seven (7) members, as provided in the Stockholders Agreement of the corporation (the "Stockholders Agreement"), a copy of which is on file with the corporation. A quorum of the board and each committee thereof shall consist of three (3) directors, at least two (2) of whom are Investor S Directors (as defined in the Stockholders Agreement). Each Investor S Director shall be entitled to five (5) votes and each member of the board that is not an Investor S Director shall be entitled to one (1) vote for each matter that is voted on by the board or any committee thereof. An act of the board or any committee thereof shall require a majority of the votes present at a meeting at which a quorum is present.

ARTICLE EIGHT

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws of the corporation may provide. The books of the corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation. Election of directors need not be by written ballot unless the by-laws of the corporation so provide.

ARTICLE NINE

The corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE TEN

The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation.

Exhibit 3.3

FORM OF

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

BLACKLINE, INC.

*** * * * ***

The present name of the corporation is BlackLine, Inc. (the "**Corporation**"). The Corporation was incorporated under the name "SLS Breeze Holdings, Inc." by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on August 5, 2013. This Amended and Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation's Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (as the same exists or as may hereafter be amended from time to time, the "**DGCL**") and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the Corporation is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the Corporation is BlackLine, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of all classes of stock that the Corporation shall have authority to issue is 550,000,000, consisting of the following:

500,000,000 shares of Common Stock, $0.01 par value per share ("**Common Stock**"). Except as may be otherwise provided herein, each share of Common Stock shall entitle the holder thereof to one (1) vote on each matter submitted to a vote at a meeting of stockholders.

50,000,000 shares of undesignated preferred stock, $0.01 par value per share ("**Preferred Stock**") which may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors of the Corporation (the "**Board of Directors**") (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock, including without limitation authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, the number of which was fixed by it, including subsequent to the issuance of shares of such series then outstanding, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in the Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. If the number of shares of any series is so decreased, then the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. Notwithstanding anything contained in this Amended and Restated Certificate of Incorporation to the contrary, (i) for as long as Silver Lake (as defined below), Iconiq (as defined below), Ms. Tucker (as defined below) and Mr. Spanicciati (as defined below) collectively beneficially own, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 60% of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, and (ii) at any time when

Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, the following provisions in this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X.

B. The Board of Directors is expressly authorized to make, alter, amend, repeal and rescind, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the "**Bylaws**") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote of the stockholders, (i) for as long as Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 60% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to make, alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith and (ii) at any time when Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to make, alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

BOARD OF DIRECTORS

A. Except as otherwise provided in this Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors and the composition of the Board of Directors shall be determined from time to time in accordance with Section 3.01 of the Stockholder Agreement (as defined below) and following termination of the rights under Section 3.01 of the

Stockholder Agreement with respect to determining the size of the Board, exclusively by resolution adopted by the Board of Directors. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "**IPO Date**"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. Commencing with the first annual meeting following the IPO Date, the directors of the class to be elected at each annual meeting shall be elected for a three-year term. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected or designated to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office. The Board of Directors is authorized to assign members of the Board of Directors already in office to their respective class in connection with the initial classification of the Board of Directors.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding or the rights granted herein or pursuant to Section 3.01 of the Stockholder Agreement, any newly-created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring in the Board of Directors (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by a majority of the directors then in office, although less than a quorum, or if only one director remains, by the sole remaining director or, if there are no directors, by the affirmative vote of the holders of at least a majority of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

C. Subject to the rights of certain stockholders to remove directors pursuant to Section 3.01 of the Stockholder Agreement, any or all of the directors (other than directors elected by the holders of any series of Preferred Stock of the Corporation, voting separately as a series or together with one or more other such series, as the case may be and if applicable) may be removed at any time either with or without cause by the affirmative vote of at least a majority in voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting as a single class; *provided*, *however*, that at any time when Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any or all of the directors (other than directors elected by the holders of any series of Preferred Stock of the Corporation voting separately as a series or together with one or more other such series, as the case may be) may be removed only for cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. Each committee of the Board of Directors shall be composed in accordance with Section 3.01 of the Stockholder Agreement and following termination of the rights set forth in Section 3.01 of the Stockholder Agreement, in accordance with Section 141(c)(2) of the DGCL.

F. For as long as the Stockholder Agreement provides for specific voting rights for certain directors, directors shall have voting rights in accordance with such agreement.

ARTICLE VII

LIMITATION OF DIRECTOR LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

CONSENT OF STOCKHOLDERS IN LIEU OF MEETING, ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. At any time when Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, at least 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation’s registered office shall be made by hand or by certified or registered mail, return receipt requested. At any time when Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, less than 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any

action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; *provided, however,* that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board of Directors or the Chairman of the Board of Directors; *provided, however,* so long as Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own at least 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by the Board of Directors or the Chairman of the Board of Directors at the request of either Silver Lake or Ms. Tucker.

ARTICLE IX

COMPETITION AND CORPORATE OPPORTUNITIES

A. In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of Silver Lake and Iconiq may serve as directors, officers or agents of the Corporation, (ii) Silver Lake and Iconiq may now engage and may continue to engage in any transaction or matter that may be an investment or corporate or business opportunity or offer a prospective economic or competitive advantage in which the Corporation or any of its controlled Affiliates (as defined below), directly or indirectly, could have an interest or expectancy (a "**Competitive Opportunity**") or may otherwise (a) compete with the Corporation or its controlled Affiliates, directly or indirectly, (b) do business with any potential or actual customer or supplier of the Corporation or any of its controlled Affiliates and (c) employ or otherwise engage any officer or employee of the Corporation or any of its controlled Affiliates and (iii) members of the Board of Directors who are not officers or employees of the Corporation or their respective Affiliates may desire to participate or invest in certain Competitive Opportunities, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of opportunities as they may involve any of Silver Lake or Iconiq and their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

B. Each of (i) Silver Lake and any directors, principals, officers, employees and/or other representatives of Silver Lake that may serve as directors, officers or agents of the Corporation, and each of their Affiliates and (ii) Iconiq and any directors, principals, officers, employees and/or other representatives of Iconiq that may serve as directors, officers or agents of the Corporation, and each of their Affiliates (the Persons (as defined below) identified in clauses (i) and (ii) above being referred to, collectively, as "**Identified Persons**" and, individually, as an "**Identified Person**") shall, to the fullest extent permitted by law, not have any duty to refrain from directly or indirectly (a) engaging in any Competitive Opportunity, (b) otherwise competing with the Corporation or any

of its controlled Affiliates, (c) otherwise doing business with any potential or actual customer or supplier of the Corporation or any of its controlled Affiliates or (d) otherwise employing or engaging any officer or employee of the Corporation or any of its controlled Affiliates and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any controlled Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any Competitive Opportunity or other corporate or business opportunity that may be a Competitive Opportunity for an Identified Person and the Corporation or any of its controlled Affiliates. In the event that any Identified Person acquires knowledge of a Competitive Opportunity or other corporate or business opportunity that may be a Competitive Opportunity for itself, herself or himself, or for its, her or his Affiliates, and for the Corporation or any of its controlled Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or present such opportunity to the Corporation or any of its controlled Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any controlled Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such Competitive Opportunity for itself, herself or himself, or offers or directs such Competitive Opportunity to another Person.

C. The Corporation does not renounce its interest in any Competitive Opportunity offered to any director nominated or designated by Silver Lake or Iconic if such opportunity is expressly offered to such person solely in his or her capacity as a director of the Corporation, and the provisions of Section (b) of this Article IX shall not apply to any such Competitive Opportunity.

D. In addition to and notwithstanding the foregoing provisions of this Article IX, a business or other opportunity shall not be deemed to be a potential Competitive Opportunity for the Corporation if it is an opportunity that (i) the Corporation (together with its controlled Affiliates) is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

E. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X

DGCL SECTION 203 AND BUSINESS COMBINATIONS

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time, following the date of closing of the initial public offering of the Common Stock, at which time the Common Stock is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, or

(ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (a) persons who are directors and also officers and (b) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(iii) at or subsequent to such time, the business combination is approved by the Board of Directors and authorized or approved at an annual or special meeting of stockholders (or by written consent, if action by written consent is not then prohibited by this Amended and Restated Certificate of Incorporation) by the affirmative vote of at least 66 2/3% of the then outstanding voting stock of the Corporation that is not owned by the interested stockholder.

C. For purposes of this Article X, references to:

(i) "**Associate**," when used to indicate a relationship with any person, means: (a) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (b) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(ii) "**business combination**," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(a) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (1) with the interested stockholder or (2) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section (B) of this Article X is not applicable to the surviving entity;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation, which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the then outstanding stock of the Corporation;

(c) any transaction that results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (1) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary, which securities were outstanding prior to the time that the interested stockholder became such; (2) pursuant to a merger under Section 251(g) of the DGCL; (3) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary, which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (4) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (5) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (3) through (5) of this subsection (c) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(d) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation that has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary that is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption or other transfer of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(e) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subsections (a) through (d) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iii) "**control**," including the terms "**controlling**," "**controlled by**" and "**under common control with**," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting stock, by contract, or otherwise. A Person who is the owner of 20% or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such Person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(iv) "**Exempt Transferee**" means any Person that directly acquires (other than in an Excluded Transfer) from Silver Lake or any of its Affiliates or successors, from Iconiq or any of its Affiliates or successors or from Ms. Tucker or any of her Affiliates ownership of voting stock of the Corporation, and is designated in writing by the transferor as an "Exempt Transferee" for the purpose of this Article X.

(v) "**Excluded Transfer**" means (a) a transfer to a Person that is not an Affiliate of the transferor, which transfer is by gift or otherwise not for value, including a transfer by dividend or distribution by the transferor, (b) a transfer in a public offering that is registered under the Securities Act of 1933, as amended (the "**Securities Act**"), (c) a transfer to one or more broker-dealers or their Affiliates pursuant to a firm commitment purchase agreement for an offering that is exempt from registration under the Securities Act, (d) a transfer made through the facilities of a registered securities exchange or automated interdealer quotation system and (e) a transfer made in compliance with the manner of sale limitations of Rule 144(f) under the Securities Act or any successor rule or provision.

(vi) "**interested stockholder**" means any Person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (a) is the owner of 15% or more of the then outstanding voting stock of the Corporation, or (b) is an Affiliate or Associate of the Corporation and was the owner of 15% or more of the then outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such Person is an interested stockholder; and the Affiliates and Associates of such Person; but "interested stockholder" shall not include (x) Silver Lake, Iconiq, Ms. Tucker, any Exempt Transferee or any of their respective Affiliates or successors or any "group," or any member of any such group, of which any of such Persons is a party under Rule 13d-5 of the Exchange Act, or (y) any Person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation, provided that such Person shall be an interested stockholder if thereafter such Person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such Person. For the purpose of determining whether a Person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the Person through application of the definition of "owner" below.

(vii) "**owner**," including the terms "**own**," "**owned**," and "**ownership**," when used with respect to any stock, means a Person that individually or with or through any of its Affiliates or Associates:

(a) beneficially owns such stock, directly or indirectly; or

(b) has (1) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered stock is accepted for purchase or exchange; or (2) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the owner of any stock because of such Person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more Persons; or

(c) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (2) of subsection (b) above of this definition), or disposing of such stock with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, such stock.

(viii) "**stock**" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) "**voting stock**" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference in this Article X to a percentage of voting stock shall refer to such percentage of the votes of such stock.

ARTICLE XI

MISCELLANEOUS

A. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

B. For purposes of this Amended and Restated Certificate of Incorporation, unless the context otherwise requires, (i) references to "**Articles**" and "**Sections**" refer to articles and sections of this Amended and Restated Certificate of Incorporation and (ii) the term "**include**" or "**includes**" means includes, without limitation, and "**including**" means including, without limitation.

ARTICLE XII

A. For purposes of this Amended and Restated Certificate of Incorporation, (i) " "**Silver Lake**" means Silver Lake Sumeru Fund, L.P. (together with its successors) and its Affiliates; (ii) "**Iconiq**" means Iconiq Strategic Partners, L.P. (together with its successors) and its Affiliates; (iii) "**Ms. Tucker**" means Ms. Therese Tucker, her Affiliates, the Isaac Tucker 2012 Irrevocable Trust, the Roseanna Tucker 2012 Irrevocable Trust, the Tucker Legacy Trust, the Safety Net GRAT and the CS 2015 GRAT; (iv) "**Mr. Spanicciati**" means Mr. Mario Spanicciati, his Affiliates, the Spanicciati Family 2013 Dynasty Trust and the Spanicciati Family 2013 Irrevocable Trust; (v) "**Affiliate**" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For these purposes, except as separately defined for purposes of Article X, "**control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, that, for purposes of this Amended and Restated Certificate of Incorporation, (i) no Stockholder (as defined in the Stockholder Agreement) shall be deemed an Affiliate of the corporation or any of its subsidiaries solely as a result of its ownership of equity of the corporation and (ii) portfolio companies of the Sponsors (as defined in the Stockholder Agreement) and their respective investment fund affiliates shall not be deemed to be Affiliates of the Sponsors; (vi) "**Person**" shall mean an individual, corporation, association, limited liability company, limited liability partnership, partnership, estate, trust, joint venture, unincorporated organization or a government or any agency or political subdivision thereof and (vii) the "**Stockholder Agreement**" means the Amended and Restated Stockholders' Agreement, dated as of [ ], by and among the Corporation, Silver Lake, Iconiq, Ms. Tucker, Mr. Spanicciati and certain other stockholders (as amended, supplemented, restated or otherwise modified from time to time.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, BlackLine, Inc. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this day of , .

BLACKLINE, INC.

By: _____

Name: Therese Tucker

Title: President and Chief Executive Officer

Exhibit 3.4

AMENDED AND RESTATED BYLAWS

OF

SLS BREEZE HOLDINGS, INC.,
a Delaware corporation

(Adopted as of September 3, 2013)

ARTICLE I

OFFICES

Section1. Registered Office. The registered office of the corporation in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the corporation's registered agent at such address shall be The Corporation Trust Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the Board of Directors.

Section 2. Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place and Time of Meetings. An annual meeting of the stockholders shall be held each year within one hundred twenty (120) days after the close of the immediately preceding fiscal year of the corporation for the purpose of conducting any proper business as may come before the meeting. The date, time and place, if any, and/or the means of remote communication, of the annual meeting shall be determined by the Board of Directors. No annual meeting of stockholders need be held if not required by the corporation's certificate of incorporation or by the General Corporation Law of the State of Delaware.

Section 2. Special Meetings. Special meetings of stockholders may be called for any purpose and may be held at such time and place, within or without the State of Delaware, and/or by means of remote communication, as shall be stated in a notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by the Board of Directors and shall be called by the chief executive officer or president upon the written request of holders of shares entitled to cast not less than 50 percent of the votes at the meeting, such written request shall state the purpose or purposes of the meeting and shall be delivered to the chief executive officer or president. On such written request, the chief executive officer or president shall fix a date and time for such meeting within 30 days of the date requested for such meeting in such written request.

Section 3. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Delaware, and/or by means of remote communication, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take any action at a meeting, written or printed notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally, by mail, or by a form of electronic transmission consented to by the stockholder to whom the notice is given, by or at the direction of the Board of Directors, the chief executive officer, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. If given by electronic transmission, such notice shall be deemed to be delivered (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (a) such posting and (b) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent.

Section 5. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, and/or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 6. Quorum. The holders of a majority of the outstanding shares of capital stock, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by statute or by the certificate of incorporation. If a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable law or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of common stock held by such stockholder.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 11. Action by Written Consent. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation’s principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation’s registered office shall be by hand

or by certified or registered mail, return receipt requested. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days after the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used; provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 12. Action by Telegram, Cablegram or Other Electronic Transmission Consent. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section; provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors.

Section 2. Number, Election and Term of Office. The number of directors which shall constitute the first board shall be seven (7). Thereafter, the number of directors shall be established from time to time in accordance with the provisions of that certain Stockholders Agreement (as may be amended from time to time, the "Stockholders Agreement"), dated as of September 3, 2013, by and among the corporation's stockholders and the corporation.

Section 3. Removal and Resignation. Any director or the entire Board of Directors may be removed only in accordance with the provisions of the Stockholders Agreement. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation.

Section 4. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled in accordance with the provisions of the Stockholders Agreement. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5. Annual Meetings. The annual meeting of each newly elected Board of Directors shall be held without notice (other than notice under these Bylaws) immediately after, and at the same place, if any, as the annual meeting of stockholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the Board of Directors may be held without notice at such time and at such place, if any, as shall from time to time be determined by resolution of the Board of Directors. Special meetings of the Board of Directors may be called by or at the request of the chief executive officer, the president or any director on at least 24 hours notice to each director, either personally, by telephone, by mail or by telegraph.

Section 7. Quorum, Required Vote and Adjournment. A quorum for the transaction of business shall consist of three (3) directors, at least two (2) of whom are directors designated by Silver Lake Sumeru Fund, L.P., a Delaware limited partnership ("Silver Lake"), pursuant the Stockholders Agreement. Each director designated by Silver Lake shall be entitled to five (5) votes and each member of the Board of Directors that is not a director designated by Silver Lake shall be entitled to one (1) vote for each matter that is voted on by the Board or any committee thereof, pursuant to the Stockholders Agreement. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these Bylaws shall have and may exercise the powers of the Board of Directors in the management and affairs of the corporation except as otherwise limited by law. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 9. Committee Rules. Committees of the Board of Directors may be established only in accordance with the Stockholders Agreement. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. In the event that a member and that member's alternate, if alternates are designated by the Board of Directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the Board of Directors or any committee thereof may participate in and act at any meeting of such board or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the Board of Directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if the requisite number of directors required or permitted to take such action at a meeting consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board, or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 13. Stockholders Agreement and Certificate of Incorporation. The provisions in this Article III shall be subject to the terms and conditions of the Stockholders Agreement and the certificate of incorporation.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the Board of Directors and shall consist of a chief executive officer or president, a secretary, and such other officers and assistant officers as may be deemed necessary or desirable by the Board of Directors. Any number of offices may be held by the same person. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term by the Board of Directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the Board of Directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6. The Chief Executive Officer or President. The chief executive officer or president shall be the chief executive officer of the corporation; shall preside at all meetings of the stockholders and Board of Directors at which he or she is present; subject to the powers of the Board of Directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the Board of Directors are carried into effect. The chief executive officer or president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The chief executive officer or president shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or as may be provided in these Bylaws.

Section 7. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the Board of Directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the chief executive officer's or president's supervision, the secretary shall (i) give, or cause to be given, all notices required to be given by these Bylaws or by law, (ii) have such powers and perform such duties as the Board of Directors, the chief executive officer, president or these Bylaws may, from time to time, prescribe and (iii) have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors, the chief executive officer, president, or secretary may, from time to time, prescribe.

Section 8. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

Section 9. Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, is or was a director or officer, of the corporation shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding); provided, that, except as provided in Section 2 hereof, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of Directors of the corporation. The corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation under Section 1 of this Article V or advance of expenses under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within 60 days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation)

that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. Article Not Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5. Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

Section 6. Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Directors.

Section 7. Contract Rights. The provisions of this Article V shall be deemed to be a contract right between the corporation and each director or officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect, and any repeal or modification of this Article V or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing.

Section 8. Merger or Consolidation. For purposes of this Article V, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VI

CERTIFICATES OF STOCK

Section 1. Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chief executive officer or a president or vice-president and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (i) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (ii) by a registrar, other than the corporation or its employee, the signature of any such chief executive officer, president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When

authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 5. Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6. Registered Stockholders. Prior to the surrender to the corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications, and otherwise to exercise all the rights and powers of an owner.

Section 7. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the Board of Directors. Any call made by the Board of Directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the Board of Directors or a duly authorized committee thereof.

Section 3. Contracts. The Board of Directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest,

and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Section 6. Corporate Seal. The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words “Corporate Seal, Delaware”. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned By Corporation. Voting securities in any other corporation held by the corporation shall be voted by the chief executive officer or president, unless the Board of Directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation’s stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person’s interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9. Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the certificate of incorporation, the General Corporation Law of the State of Delaware, or the Stockholders Agreement, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

These Bylaws may be amended, altered, or repealed and new Bylaws adopted at any meeting of the Board of Directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the Bylaws has been conferred upon the Board of Directors shall not divest the stockholders of the same powers.

ARTICLE IX

CERTAIN BUSINESS COMBINATIONS

The corporation, by the affirmative vote (in addition to any other vote required by law or the certificate of incorporation) of its stockholders holding a majority of the shares entitled to vote, expressly elects not to be governed by §203 of the General Corporation Law of the State of Delaware.

Exhibit 3.5

FORM OF

AMENDED AND RESTATED BYLAWS OF

BLACKLINE, INC.

(as amended and restated on [ ] and effective as of the closing of the corporation's initial public offering)

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BYLAWS OF BLACKLINE, INC.
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1.1 REGISTERED OFFICE

The registered office of BlackLine, Inc. shall be fixed in the corporation's certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES

The corporation's board of directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the corporation's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business, may be transacted. The board of directors may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

2.3 SPECIAL MEETING

(i) Except as may otherwise be provided in the certificate of incorporation, a special meeting of the stockholders, other than those required by statute, may be called at any time by or at the direction of the board of directors or the chairperson of the board of directors. The board of directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors or chairperson of the board of directors. Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(i) *Advance Notice of Stockholder Business.* At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the corporation's proxy materials with respect to such meeting, (B) by or at the direction of the board of directors, or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. For the avoidance of doubt (other than pursuant to Section 2.4(v) of these bylaws or except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or any successor thereto (the "**1934 Act**"), and the regulations thereunder), clause (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the corporation not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment, rescheduling or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described in this Section 2.4(i)(a). "**Public Announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting:

(1) a brief description of the business intended to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the corporation, the language of the proposed amendment),

(2) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below),

(3) the class and number of shares of the corporation that are held of record or are beneficially owned (within the meaning of Rule 13d-3 under the 1934 Act) by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any Stockholder Associated Person, shall, for purposes of the Business Solicitation Statement only, be deemed to beneficially own any shares of any class or series of the corporation as to which such stockholder or Stockholder Associated Person has a right to acquire beneficial ownership at any time in the future,

(4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the corporation,

(5) any material relationship between such stockholder or any Stockholder Associated Person, on the one hand, and the corporation, any affiliate of the corporation or any principal competitor of the corporation, on the other hand (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement),

(6) any material interest of the stockholder or a Stockholder Associated Person in such business to be brought before the meeting,

(7) a reasonably detailed description of all agreements, arrangements and understandings between or among the stockholder and any Stockholder Associated Persons or between or among the stockholder or any Stockholder Associated Person and any other person or entity (including the names of any and all such persons) in connection with the proposal of such business by such stockholder,

(8) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares required under applicable law to carry the proposal, and

(9) any other information relating to such stockholder or any Stockholder Associated Person, or relating to the proposal or item of business, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such stockholder in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the 1934 Act.

Such information provided and statements made as required by clauses (1) through (9), a "**Business Solicitation Statement**"); provided, however, that the Business Solicitation Statement need not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is Stockholder Associated Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner. In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented (the "**Supplement**") not

later than ten days following the record date for the determination of stockholders entitled to notice of the meeting to disclose the information contained in clauses (3) through (5) above as of the record date for notice of the meeting. For purposes of this Section 2.4, a "**Stockholder Associated Person**" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation, or (iv) any associate (within the meaning of Rule 12b-2 under the 1934 Act) of or person controlling, controlled by or under common control with such person referred to in the preceding clauses (i), (ii) and (iii).

(c) Without exception (other than as described in Section 2.4(v) of these bylaws), no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election to the board of directors of the corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in this Section 2.4(ii). In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the corporation at the principal executive offices of the corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above;

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "**nominee**") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of

transactions has been entered into by or on behalf of the nominee with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between or among any of the stockholder, each nominee and/or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or relating to the nominee's potential service as a director, (F) a written statement executed by the nominee agreeing to serve as a director if elected and acknowledging that as a director of the corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (9) of Section 2.4(i)(b) above, and the Supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a "**Nominee Solicitation Statement**").

(c) At the request of the board of directors, any person nominated by a stockholder for election as a director must furnish to the secretary of the corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director and (3) such other information that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception (other than as described in Section 2.4(v) of these bylaws),, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii) *Advance Notice of Director Nominations for Special Meetings.*

(a) For a special meeting of stockholders at which directors are to be elected pursuant to Section 2.3, nominations of persons for election to the board of directors shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii), on the record date for the determination of stockholders entitled to notice of the special meeting and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.

(b) The chairperson of the special meeting shall, if the facts warrant, determine and declare at the meeting that a nomination or business was not made in accordance with the procedures prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the meeting, and the defective nomination or business shall be disregarded.

(iv) *Other Requirements and Rights.* In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4, including, with respect to business such stockholder intends to bring before the annual meeting that involves a proposal that such stockholder requests to be included in the corporation's proxy statement, the requirements of Rule 14a-8 (or any successor provision) under the 1934 Act. Nothing in this Section 2.4 shall be deemed to affect any right of the corporation to omit a proposal from the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

(v) Notwithstanding anything to the contrary contained in this Section 2.4, each of Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati (as each such term is defined in the certificate of incorporation of the corporation from time to time) shall not be subject to the notice procedures set forth in paragraphs 2.4 (i)-(iv)with respect to any annual or special meeting of stockholders for so long as such Person owns, in the aggregate, at least 10% of the voting power of the stock of the Corporation entitled to vote generally in the election of directors.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is

different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the voting power of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders, unless otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the issued and outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. The chairperson of the meeting shall also have the power to adjourn the meeting in all other events in his or her discretion, whether or not a quorum is present. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, the chief executive officer (in the absence of the chairperson) or the president (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the corporation, shall serve as chairperson of the stockholder meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise required by law, the certificate of incorporation or these bylaws or provided by the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof that have been expressly granted the right to take action by written consent and except as may otherwise be provided in the certificate of incorporation, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders.

2.11 RECORD DATES

In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A written proxy may be given by electronic transmission that sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided*, *however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation's principal place of business. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger of the corporation shall be the only evidence as to the identity of the stockholders entitled to examine the list of stockholders required by this Section 2.13 or to vote at any meeting of stockholders.

2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy; provided further that, in any case, if no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint at least one (1) inspector to act at the meeting.

Such inspectors shall take all actions as contemplated under Section 231 of the DGCL.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS

The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be fixed in the manner provided in the certificate of incorporation. The term of each director shall be as set forth in the certificate of incorporation. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the corporation shall be divided into three classes.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation; provided, however, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the

electronic transmission was authorized by the director. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in or pursuant to the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board of directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the president, the secretary or a majority of the authorized number of directors, at such times and places as he or she or they shall designate.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM; VOTING

At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

Directors of the corporation may be removed in the manner provided in the certificate of incorporation and applicable law.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director’s term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS

Except as may otherwise be provided in the certificate of incorporation, the board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation.

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 7.5 (waiver of notice); and

(vi) Section 3.9 (action without a meeting)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. *However:*

(i) the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the board of directors; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V - OFFICERS

5.1 OFFICERS

The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the board of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment and unless otherwise provided by or pursuant to the certificate of incorporation or these bylaws, any officer may be removed, either with or without cause, by the board of directors or by any officer upon whom such power of removal may be conferred by the board of directors except that, unless provided by resolution of the board, officers may not remove other directors chosen by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time or upon an event specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the corporation shall be filled by the board of directors or as provided in Section 5.3.

5.6 REPRESENTATION OF INTERESTS OF OTHER CORPORATIONS OR ENTITIES

The chairperson of the board of directors, the president, any vice president, the treasurer, the secretary or assistant secretary of this corporation, or any other person authorized by the board of directors or the president or a vice president, is authorized to vote, represent, and exercise (including acting by written consent) on behalf of this corporation all rights incident to any and all shares or other equity interests of any other corporation or corporations or other entity or entities standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

ARTICLE VI - STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed as provided in the DGCL. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the corporation in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the corporation shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this Section 6.2 a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond, in such sum as the corporation may direct, sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation.

The board of directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

6.6 STOCK TRANSFER AGREEMENTS

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.7 REGISTERED STOCKHOLDERS

The corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the corporation's records. An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or other agent of the corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if:

(i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII - INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the corporation shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 8.6(ii) or 8.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "**corporation**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the corporation**" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the corporation**" as referred to in this Article VIII.

ARTICLE IX - GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

9.3 SEAL

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term person (as defined below).

ARTICLE X - AMENDMENTS

For as long as Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, at least 40% in voting power of the stock of the corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law or the certificate of incorporation, these bylaws may be adopted, amended or repealed by stockholders, only by the affirmative vote of the holders of at least 60% of the voting power of all the then outstanding shares of stock of the corporation entitled to vote thereon, voting together as a single class, and at any time when Silver Lake, Iconiq, Ms. Tucker and Mr. Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law or the certificate of incorporation, these bylaws may be adopted, amended or repealed by stockholders, only by the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the corporation entitled to vote thereon, voting together as a single class.

In addition, the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

ARTICLE XI - EXCLUSIVE FORUM FOR ADJUDICATION OF DISPUTES

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the corporation to the corporation or the corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision

of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this bylaw.

BLACKLINE, INC.

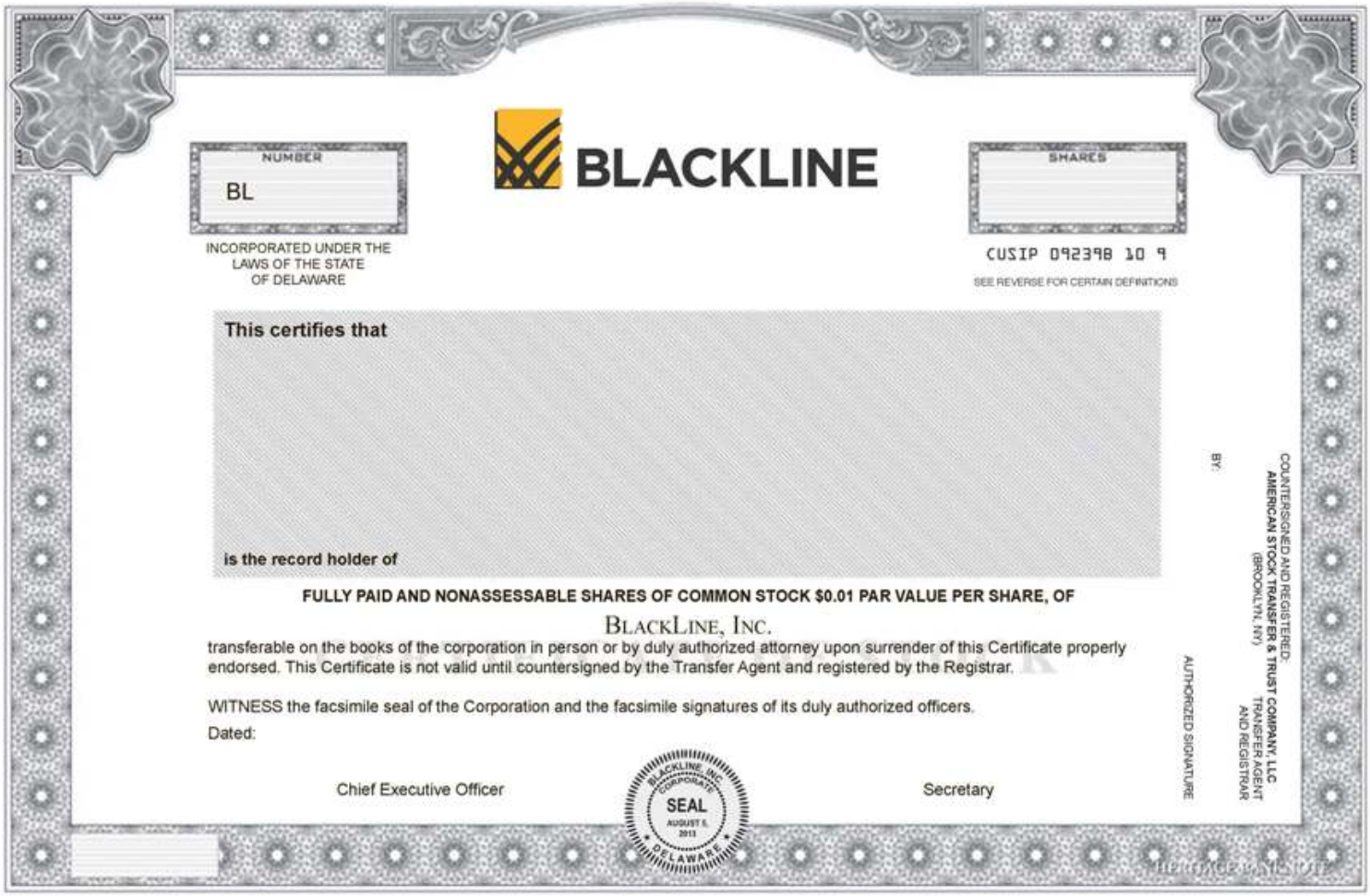
CERTIFICATE OF AMENDMENT OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary or Assistant Secretary of BlackLine, Inc., a Delaware corporation and that the foregoing bylaws were amended and restated on [ ] by the corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this day of , .

Secretary

Exhibit 4.1



NUMBER

BL

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 092398 10 9

SEE REVERSE FOR CERTAIN DEFINITIONS

This certifies that

is the record holder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK $0.01 PAR VALUE PER SHARE, OF

BLACKLINE, INC.

transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

Chief Executive Officer

BLACKLINE, INC. CORPORATE SEAL AUGUST 5, 2013 DELAWARE

Secretary

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(BROOKLYN, NY)
TRANSFER AGENT AND REGISTRAR

BY:

AUTHORIZED SIGNATURE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN,OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common
COM PROP – as community property

UNIF GIFT MIN ACT – ..... Custodian ..... (Cust) (Minor) under Uniform Gifts to Minors Act..... (State)

UNIF TRF MIN ACT – ..... Custodian (until age .....) (Cust) ..... under Uniform Transfers (Minor) to Minors Act..... (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

Exhibit 4.2

EXECUTION VERSION

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: 1

Original Issue Date: September 25, 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.,** a Delaware corporation (the **"Company"),** hereby certifies that Special Value Continuation Partners, LP, a Delaware limited partnership, or its registered assigns (the **"Holder")** is entitled to purchase from the Company 1,232,731 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the **"Exercise Price"),** all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of September 25, 2013 (the **"Purchase Agreement"),** between the Company and the investors listed on Exhibit A thereto.

1**. Definitions.** As used in this Warrant, the following terms have the respective meanings set forth below:

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Aggregate Exercise Price" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"Board" means the board of directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"Common Stock" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"Common Stock Deemed Outstanding" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

"Company" has the meaning set forth in the preamble.

"Convertible Securities" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"Excluded Issuances" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"Exercise Date" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"Exercise Agreement" means an Exercise Agreement in the form attached hereto as **Exhibit A.**

"Exercise Period" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"Exercise Price" has the meaning set forth in the preamble.

"Fair Market Value" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the

Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"Holder" has the meaning set forth in the preamble.

"Original Issue Date" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"NASDAQ" means The NASDAQ Stock Market LLC.

"OTC Bulletin Board" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"Permitted Transferee" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"Person" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"Purchase Agreement" has the meaning set forth in the preamble.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"Reorganization" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)),** in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"Sale of the Company" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"Warrant" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"Warrant Shares" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant.** The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant.**

(a) **Exercise Procedure.** During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b).**

(b) **Payment of the Aggregate Exercise Price.** Payment of the Aggregate Exercise Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates.** As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares.** The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant.** Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes.** The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise.** Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares.** During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration.** Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i),** the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment.** If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i))** the method of exercise set forth in **Section 3(b)(ii),** the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. **Adjustment to Exercise Price and Number of Warrant Shares.** The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4.**

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock.** Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e),** if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price.** Upon each adjustment of the Exercise Price as provided in **Section 4(a),** the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price.**

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in **Section 4(c)(iii))** for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a))**, at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a))** of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4)** (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b).**

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated

transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4,** in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock.** If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv),** any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger.** In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4**; provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4.**

(g) **Certificate as to Adjustment.**

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices.** In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights.** In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the **"Purchase Rights"),** then the Company shall provide the Holder the right to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. T**ransfer of Warrant.** Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B,** and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder.** Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination.**

(a) **Replacement of Warrant on Loss.** Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant.** This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment.** The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company.** The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register.** The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions.** The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous**.

(a) **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)).**

If to the Company:	SLS Breeze Holdings, Inc. 21300 Victory Blvd., 12th Floor Woodland Hills, CA 91367 Attention: Controller Fax No.: (818) 223-9081 Email: accounting @blackline.com
with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: ### Email: ###
	and
	Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: ### Email: ###
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: ### Email: ###

(b) **Expenses.** The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies.** Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief.** Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement.** This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns.** Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings.** The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver.** This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival.** The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability.** In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law.** This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial.** Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts.** This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.

(o) **No Strict Construction.** This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

[Signature Page to Warrant]

Accepted and agreed,

SPECIAL VALUE CONTINUATION
PARTNERS, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

EXHIBIT A

EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the **"Company"),** pursuant to the terms of the Warrant dated [ ], 2013 (the **"Warrant")** between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant] [tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant].**

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER: _____

By: _____

Title: _____

Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is_____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

EXHIBIT C-1

JOINDER AGREEMENT TO STOCKHOLDERS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

EXHIBIT C-2

JOINDER AGREEMENT TO REGISTRATION RIGHTS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

Exhibit 4.3

EXECUTION VERSION

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: 2

Original Issue Date: September 25, 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.,** a Delaware corporation (the **"Company"),** hereby certifies that Tennenbaum Opportunities Fund VI, LLC, a Delaware limited liability company, or its registered assigns (the **"Holder")** is entitled to purchase from the Company 852,269 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the **"Exercise Price"),** all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of September 25, 2013 (the **"Purchase Agreement"),** between the Company and the investors listed on Exhibit A thereto.

1**. Definitions.** As used in this Warrant, the following terms have the respective meanings set forth below:

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"Aggregate Exercise Price" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"Board" means the board of directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"Common Stock" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"Common Stock Deemed Outstanding" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

"Company" has the meaning set forth in the preamble.

"Convertible Securities" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other

Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"Excluded Issuances" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"Exercise Date" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"Exercise Agreement" means an Exercise Agreement in the form attached hereto as **Exhibit A.**

"Exercise Period" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"Exercise Price" has the meaning set forth in the preamble.

"Fair Market Value" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the

Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"Holder" has the meaning set forth in the preamble.

"Original Issue Date" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"NASDAQ" means The NASDAQ Stock Market LLC.

"OTC Bulletin Board" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"Permitted Transferee" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"Person" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"Purchase Agreement" has the meaning set forth in the preamble.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"Reorganization" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)),** in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"Sale of the Company" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"Warrant" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"Warrant Shares" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant**. The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant.**

(a) **Exercise Procedure.** During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b).**

(b) **Payment** of **the Aggregate Exercise Price.** Payment of the Aggregate Exercise Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates.** As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares.** The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant.** Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes.** The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise.** Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares.** During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration.** Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i),** the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment.** If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i))** the method of exercise set forth in **Section 3(b)(ii),** the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. Adjustment to Exercise Price and Number of Warrant Shares. The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4.**

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock.** Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e),** if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price.** Upon each adjustment of the Exercise Price as provided in **Section 4(a),** the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price.**

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in Section 4(c)(iii)) for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a))**, at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a)**) of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4)** (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b)**.

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated

transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4,** in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock.** If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv),** any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger.** In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4;** provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4.**

(g) **Certificate as to Adjustment.**

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices.** In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights**. In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the "**Purchase Rights**"), then the Company shall provide the Holder the right to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Transfer of Warrant**. Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**, and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination.**

(a) **Replacement of Warrant on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant**. This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment**. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company**. The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions**. The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous.**

(a) **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)**).

If to the Company:	SLS Breeze Holdings, Inc. 21300 Victory Blvd., 12th Floor Woodland Hills, CA 91367 Attention: Controller Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: ### Email: ### and Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: ### Email: ###
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: ### Email: ###

(b) **Expenses**. The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies.** Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief.** Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement.** This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns.** Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings.** The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver.** This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival.** The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability.** In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law.** This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial.** Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts.** This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant.

(o) **No Strict Construction.** This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

[Signature Page to Warrant]

Accepted and agreed,

TENNENBAUM OPPORTUNITIES FUND VI, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

EXHIBIT A

EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the **"Company"),** pursuant to the terms of the Warrant dated [ ], 2013 (the **"Warrant")** between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant] [tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant].**

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER:

_____

By: _____

Title: _____

Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

EXHIBIT C-1

JOINDER AGREEMENT TO STOCKHOLDERS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

EXHIBIT C-2

JOINDER AGREEMENT TO REGISTRATION RIGHTS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

Exhibit 4.4

EXECUTION VERSION

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: 3

Original Issue Date: September 25, 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.**, a Delaware corporation (the "**Company**"), hereby certifies that Tennenbaum Senior Loan Fund II, LP, a Delaware limited partnership, or its registered assigns (the "**Holder**") is entitled to purchase from the Company 250,000 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the "**Exercise Price**"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of September 25, 2013 (the "**Purchase Agreement**"), between the Company and the investors listed on Exhibit A thereto.

1. **Definitions**. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Affiliate**" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"**Aggregate Exercise Price**" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"**Common Stock Deemed Outstanding**" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

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

"**Convertible Securities**" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other

Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"**Excluded Issuances**" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"**Exercise Agreement**" means an Exercise Agreement in the form attached hereto as **Exhibit A**.

"**Exercise Period**" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"**Exercise Price**" has the meaning set forth in the preamble.

"**Fair Market Value**" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the

Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"**Holder**" has the meaning set forth in the preamble.

"**Original Issue Date**" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"**NASDAQ**" means The NASDAQ Stock Market LLC.

"**OTC Bulletin Board**" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"**Permitted Transferee**" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Purchase Agreement**" has the meaning set forth in the preamble.

"**Registration Rights Agreement**" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"**Reorganization**" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)**), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"**Sale of the Company**" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"**Warrant**" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"**Warrant Shares**" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant**. The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant**.

(a) **Exercise Procedure**. During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b)**.

(b) **Payment of the Aggregate Exercise Price**. Payment of the Aggregate Exercise Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates**. As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares**. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant**. Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes**. The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise**. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares**. During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration**. Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i)**, the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment**. If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i)**) the method of exercise set forth in **Section 3(b)(ii)**, the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. **Adjustment to Exercise Price and Number of Warrant Shares**. The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4**.

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock**. Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e)**, if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon

such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price**. Upon each adjustment of the Exercise Price as provided in **Section 4(a)**, the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price**.

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in **Section 4(c)(iii)**) for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a)**), at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a)**) of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4**) (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b)**.

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated

transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4**, in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock**. If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv)**, any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger**. In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4**; provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4**.

(g) **Certificate as to Adjustment**.

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices**. In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights**. In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the "**Purchase Rights**"), then the Company shall provide the Holder the right to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Transfer of Warrant**. Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**, and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination**.

(a) **Replacement of Warrant on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant**. This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment**. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company**. The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions**. The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous**.

(a) **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)**).

If to the Company:	SLS Breeze Holdings, Inc. 21300 Victory Blvd., 12th Floor Woodland Hills, CA 91367 Attention: Controller Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: ### Email: ### and Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: ### Email: ###
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: ### Email: ###

(b) **Expenses**. The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies**. Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief**. Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement**. This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns**. Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings**. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver**. This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival**. The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability**. In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law**. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in
the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial**. Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts**. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant**.**

(o) **No Strict Construction**. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief
Financial Officer and Treasurer

[Signature Page to Warrant]

Accepted and agreed,

TENNENBAUM SENIOR LOAN FUND II, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

EXHIBIT A

EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the "**Company**"), pursuant to the terms of the Warrant dated [ ], 2013 (the "**Warrant**") between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant][tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant]**.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER:

_____

By: _____

Title: _____

Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

EXHIBIT C-1

JOINDER AGREEMENT TO STOCKHOLDERS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

EXHIBIT C-2

JOINDER AGREEMENT TO REGISTRATION RIGHTS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

Exhibit 4.5

EXECUTION VERSION

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: 4

Original Issue Date: September 25, 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.**, a Delaware corporation (the "**Company**"), hereby certifies that Tennenbaum Senior Loan SPV III, LLC, a Delaware limited liability company, or its registered assigns (the "**Holder**") is entitled to purchase from the Company 115,000 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the "**Exercise Price**"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of September 25, 2013 (the "**Purchase Agreement**"), between the Company and the investors listed on Exhibit A thereto.

1. **Definitions**. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Affiliate**" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"**Aggregate Exercise Price**" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"**Common Stock Deemed Outstanding**" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

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

"**Convertible Securities**" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other

Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"**Excluded Issuances**" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"**Exercise Agreement**" means an Exercise Agreement in the form attached hereto as **Exhibit A**.

"**Exercise Period**" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"**Exercise Price**" has the meaning set forth in the preamble.

"**Fair Market Value**" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the

Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"**Holder**" has the meaning set forth in the preamble.

"**Original Issue Date**" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"**NASDAQ**" means The NASDAQ Stock Market LLC.

"**OTC Bulletin Board**" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"**Permitted Transferee**" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Purchase Agreement**" has the meaning set forth in the preamble.

"**Registration Rights Agreement**" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"**Reorganization**" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)**), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"**Sale of the Company**" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"**Warrant**" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"**Warrant Shares**" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant**. The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant**.

(a) **Exercise Procedure**. During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b)**.

(b) **Payment of the Aggregate Exercise Price**. Payment of the Aggregate Exercise Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates**. As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares**. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant**. Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes**. The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise**. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares**. During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration**. Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i)**, the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment**. If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i)**) the method of exercise set forth in **Section 3(b)(ii)**, the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. **Adjustment to Exercise Price and Number of Warrant Shares**. The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4**.

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock**. Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e)**, if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price**. Upon each adjustment of the Exercise Price as provided in **Section 4(a)**, the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price**.

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in **Section 4(c)(iii)**) for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a)**), at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a)**) of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4**) (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b)**.

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated

transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4**, in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock**. If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant

Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv)**, any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger**. In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4**; provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4**.

(g) **Certificate as to Adjustment**.

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices**. In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights**. In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the "**Purchase Rights**"), then the Company shall provide the Holder the right to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Transfer of Warrant**. Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**, and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination**.

(a) **Replacement of Warrant on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant**. This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment**. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company**. The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions**. The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous**.

(a) **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)**).

If to the Company:	SLS Breeze Holdings, Inc. 21300 Victory Blvd., 12th Floor Woodland Hills, CA 91367 Attention: Controller Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: ### Email: ### and Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: ### Email: ###
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: ### Email: ###

(b) **Expenses**. The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies**. Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief**. Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement**. This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns**. Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings**. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver**. This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival**. The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability**. In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law**. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial**. Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts**. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant**.**

(o) **No Strict Construction**. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

[Signature Page to Warrant]

Accepted and agreed,

TENNENBAUM SENIOR LOAN SPV III, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name Phil Tseng
Title: Managing Director

[Signature Page to Warrant]

EXHIBIT A
EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the "**Company**"), pursuant to the terms of the Warrant dated [ ], 2013 (the "**Warrant**") between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant][tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant]**.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER:

_____

By: _____
Title: _____
Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

EXHIBIT C-1

JOINDER AGREEMENT TO STOCKHOLDERS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

EXHIBIT C-2

JOINDER AGREEMENT TO REGISTRATION RIGHTS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____
Name: _____
Its: _____

Date: _____

Exhibit 4.6

EXECUTION VERSION

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: 5

Original Issue Date: September 25, 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.**, a Delaware corporation (the "**Company**"), hereby certifies that Tennenbaum Senior Loan Fund IV-B, a Delaware limited partnership, or its registered assigns (the "**Holder**") is entitled to purchase from the Company 50,000 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the "**Exercise Price**"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of September 25, 2013 (the "**Purchase Agreement**"), between the Company and the investors listed on Exhibit A thereto.

1. **Definitions**. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Affiliate**" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"**Aggregate Exercise Price**" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"**Common Stock Deemed Outstanding**" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

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

"**Convertible Securities**" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other

Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"**Excluded Issuances**" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"**Exercise Agreement**" means an Exercise Agreement in the form attached hereto as **Exhibit A**.

"**Exercise Period**" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"**Exercise Price**" has the meaning set forth in the preamble.

"**Fair Market Value**" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the

Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"**Holder**" has the meaning set forth in the preamble.

"**Original Issue Date**" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"**NASDAQ**" means The NASDAQ Stock Market LLC.

"**OTC Bulletin Board**" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"**Permitted Transferee**" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Purchase Agreement**" has the meaning set forth in the preamble.

"**Registration Rights Agreement**" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"**Reorganization**" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)**), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"**Sale of the Company**" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"**Warrant**" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"**Warrant Shares**" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant**. The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant**.

(a) **Exercise Procedure**. During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b)**.

(b) **Payment of the Aggregate Exercise Price**. Payment of the Aggregate Exercise

Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates**. As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares**. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant**. Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes**. The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise**. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares**. During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration**. Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i)**, the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment**. If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i)**) the method of exercise set forth in **Section 3(b)(ii)**, the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. **Adjustment to Exercise Price and Number of Warrant Shares**. The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4**.

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock**. Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e)**, if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon

such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price**. Upon each adjustment of the Exercise Price as provided in **Section 4(a)**, the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price**.

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in **Section 4(c)(iii)**) for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a)**), at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a)**) of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4**) (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b)**.

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated

transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4**, in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock**. If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant

Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv)**, any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger**. In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4**; provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4**.

(g) **Certificate as to Adjustment**.

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices**. In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights**. In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the "**Purchase Rights**"), then the Company shall provide the Holder the right to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Transfer of Warrant**. Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**, and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination**.

(a) **Replacement of Warrant on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant**. This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment**. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company**. The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions**. The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous.**

(a) **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)**).

If to the Company:	SLS Breeze Holdings, Inc. 21300 Victory Blvd., 12th Floor Woodland Hills, CA 91367 Attention: Controller Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: ### Email: ### and Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: ### Email: ###
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: ### Email: ###
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: ### Email: ###

(b) **Expenses**. The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies**. Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief**. Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement**. This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns**. Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings**. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver**. This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival**. The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability**. In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law**. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction.** Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial**. Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts**. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant**.**

(o) **No Strict Construction**. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

[Signature Page to Warrant]

Accepted and agreed,

TENNENBAUM SENIOR LOAN FUND
IV-B, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name Phil Tseng
Title: Managing Director

[Signature Page to Warrant]

EXHIBIT A

EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the "**Company**"), pursuant to the terms of the Warrant dated [ ], 2013 (the "**Warrant**") between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant][tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant]**.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER:

_____

By: _____
Title: _____
Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

EXHIBIT C-1

JOINDER AGREEMENT TO STOCKHOLDERS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT C-2

JOINDER AGREEMENT TO REGISTRATION RIGHTS AGREEMENT

THIS JOINDER AGREEMENT (this "Joinder") is being delivered to SLS Breeze Holdings, Inc., a Delaware corporation (the "Company"). Reference is made to the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain stockholders of the Company from time to time party thereto (as amended, modified or restated from time to time, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

The undersigned hereby acknowledges and agrees that its signature below constitutes an executed counterpart signature page to the Agreement and hereby agrees to become a party to the Agreement and to be subject to, and bound by, all of the terms and conditions of the Agreement as an "Other Stockholder."

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date set forth below.

[_____]

By: _____

Name: _____

Its: _____

Date: _____

Exhibit 4.7

EXECUTION VERSION

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is made and entered into as of October 21, 2014, by and among BlackLine, Inc. (f/k/a SLS Breeze Holdings, Inc.), a Delaware corporation (the "Company"), and Iconiq Strategic Partners, L.P., a Delaware limited partnership ("ISP"), Iconiq Strategic Partners-B, L.P., a Cayman Islands exempted limited partnership ("ISP-B"), and Iconiq Strategic Partners Co-Invest, L.P., BL2 Series, a series of a Delaware series limited partnership ("ISP Co-Invest", and together with ISP and ISP-B, each an "Iconiq Party", and collectively, the "Iconiq Parties"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in that certain Agreement and Plan of Merger, dated as of August 9, 2013, by and among the Company, certain of its direct and indirect Subsidiaries, and BlackLine Systems, Inc., a California corporation.

WHEREAS, pursuant to the terms and conditions of this Agreement, the Iconiq Parties will contribute cash to the Company in exchange for newly issued shares of common stock of the Company, par value $0.01 per share (the "Company Common Stock").

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties contained herein, the parties hereto agree as follows:

1. Contribution; Closing.

(a) Contribution. At the Closing, the Iconiq Parties will contribute (and/or cause their Affiliates to contribute) to the Company an aggregate of Five Million Dollars ($5,000,000) in the respective amounts set forth on Annex A, which shall be completed by the Iconiq Parties at least one (1) Business Day prior to the Closing Date. In consideration therefore, the Company will issue to the Iconiq Parties an aggregate of 1,785,714 shares of Company Common Stock, free and clear of all Liens, in the amounts set forth on Annex A. At the Closing, the Company will deliver to Iconiq the certificates representing the number of shares of Company Common Stock to be issued to such Persons pursuant to this Section 1(a).

(b) Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of Kirkland & Ellis LLP, 3330 Hillview Avenue, Palo Alto, California, 94304, at 10 a.m. (local time) on the second (2nd) Business Day following the later of the date on which (i) the waiting period applicable to the transactions contemplated hereby under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), shall have expired or been terminated, and (ii) the tag-along participation period set forth in the Stockholders Agreement (as defined below) applicable to the transactions contemplated by the Stock Purchase Agreement, by and among the Iconiq Parties, the Company and Silver Lake Sumeru Fund, L.P. and its Affiliates, entered into contemporaneously herewith (the "Stock Purchase Agreement"), shall have expired; provided, that the Closing shall not occur prior to the date that is twenty (20) Business Days from the date that the Tag-Along Notice is delivered pursuant to Section 5(a) of the Stockholders Agreement in connection with the transactions contemplated by the Stock Purchase Agreement; provided, further that the representations and warranties set forth in Sections 2 and 3 hereof are true and correct as of the Closing (as

confirmed in writing or e-mail by the applicable party making such representations and warranties). Notwithstanding the foregoing, this Agreement may be terminated by any party following written notice to the other parties if the Closing shall not have occurred on or before December 31, 2014; provided, that the party seeking to terminate this Agreement is not then in breach of any provision of this Agreement.

2. Representations and Warranties of the Company. The Company represents and warrants to each Iconiq Party that:

(a) As of immediately following the consummation of the transactions contemplated in Section 1(a) above, the authorized capital stock of the Company shall consist of 250,000,000 shares of Company Common Stock, 201,960,714 of which shall be issued and outstanding and held by the stockholders of the Company as set forth on Annex B hereto. The Company Common Stock, when issued at Closing to the Iconiq Parties, shall be duly authorized, validly issued, fully paid and non-assessable. As of the Closing, the Company shall not have outstanding any stock or securities convertible or exchangeable for any shares of its capital stock or containing any profit participation features, nor shall it have outstanding any rights or options to subscribe for or to purchase its capital stock or any stock or securities convertible into or exchangeable for its capital stock or any stock appreciation rights or phantom stock plans.

(b) There are no statutory or contractual securityholders preemptive rights or rights of refusal or other restrictions, conditions or consent rights with respect to the issuance of the Company Common Stock hereunder. There are no proxies, voting trusts or voting agreements with respect to the voting of the Company Common Stock issued pursuant to this Agreement, except as set forth in the Stockholders Agreement, The Company has not (directly or indirectly through its agents or representatives) violated any applicable federal or state securities laws in connection with the offer, sale or issuance of any of its capital stock, and the offer, sale and issuance of the Company Common Stock hereunder do not and will not require registration under the Securities Act or any applicable state securities laws.

(c) The execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which it is bound.

(d) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite corporate, power and authority, and has taken all action necessary, to authorize the execution and delivery of this Agreement and to carry out the transactions contemplated hereby. This Agreement is a valid and binding obligation of the Company, enforceable in accordance with its terms.

(e) Since September 3, 2013, there has not occurred any change, effect, event or occurrence materially adverse to the business, condition (financial or otherwise) or results of operations of the business conducted by the Company and its Subsidiaries.

3. Representations and Warranties of the Iconiq Parties. Each Iconiq Party represents and warrants to the Company that:

(a) The execution, delivery and performance of this Agreement by it does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which it is a party or by which it is bound.

(b) Upon the execution and delivery of this Agreement by it, this Agreement shall be the valid and binding obligation of it, enforceable in accordance with its terms, subject to (A) laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (B) rules of law governing specific performance, injunctive relief and other equitable remedies.

(c) The Company Common Stock acquired by it will be acquired for its own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any other applicable federal, state or foreign securities laws, and such Company Common Stock will not be disposed of in contravention of the Securities Act or any applicable federal, state or foreign securities laws.

(d) It is able to bear the economic risk of its investment in the Company Common Stock for an indefinite period of time because such securities have not been registered under the Securities Act and, therefore, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available. It acknowledges that each share of Company Common Stock will be subject to the provisions of that certain Stockholders Agreement of the Company, dated as of September 3, 2013, by and between the Company and certain stockholders of the Company party thereto (the "Stockholders Agreement"), which will have additional restrictions on transfer.

(e) It has had an opportunity to ask questions and receive answers concerning the terms and conditions of the Company Common Stock and has had full access to such other information concerning the Company and its Subsidiaries as it has requested.

4. Covenants.

(a) The Iconiq Parties shall (a) take all actions necessary, appropriate or advisable to file as soon as reasonably practicable, and in any event no later than five (5) Business Days after the expiration of the tag-along participation period set forth in the Stockholders Agreement, the notification and report forms required to be filed under the HSR Act with the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice, (b) use their commercially reasonable efforts to prosecute such filings and respond to inquiries related thereto, (c) not extend any waiting period under the HSR Act or enter into any agreement not to consummate the transactions contemplated hereby, except with the prior written consent of the other parties hereto, and (d) use their commercially reasonable efforts to avoid entry of (or to have vacated or terminated) any order that would restrain, prevent or delay the Closing.

(b) Further Assurances. Each party to this Agreement will take such further action (including the execution and delivery of such further instruments and documents) as is reasonably necessary to carry out the purpose of this Agreement as any other party hereto may reasonably request, all at the sole cost and expense of such requesting party.

(c) Legends. Each certificate of each share of Company Common Stock issued under this Agreement will be imprinted with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON **[●]**, 2014, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR APPLICABLE STATE SECURITIES LAWS ("STATE ACTS"), AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR STATE ACTS OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF (A "TRANSFER") EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE STOCKHOLDERS AGREEMENT, DATED AS OF **[●]**, 2014, AS AMENDED AND MODIFIED FROM TIME TO TIME. ANY TRANSFEREE OF THESE SECURITIES TAKES SUBJECT TO THE TERMS OF SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE COMPANY."

5. Miscellaneous.

(a) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign any of its rights, interests, or obligations hereunder without the prior written approval of the other parties, other than in connection with transfers of its securities of the Company in accordance with the Stockholders Agreement.

(b) Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic PDF), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(c) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(d) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE. Each of the parties hereto (i) shall submit itself to the exclusive jurisdiction of any federal court located in the State of California or any California state court having subject matter jurisdiction in the event any dispute arises out of this Agreement, (ii) agrees that venue will be proper as to proceedings brought in any such court with respect to such a dispute, (iii) will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court, and (iv) agrees to accept service of process at its address for notices pursuant to this Agreement in any such action or proceeding brought in any such court.

(e) Amendments and Waivers. This Agreement may be amended, or any provision of this Agreement may be waived upon a written approval, executed by the parties hereto. No course of dealing between or among the parties hereto shall be deemed effective to modify, amend, or discharge any part of this Agreement or any rights or obligations of any such party or such holder under or by reason of this Agreement.

(f) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

6. No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

* * * * *

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

COMPANY:

BLACKLINE, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

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

ICONIQ:

ICONIQ STRATEGIC PARTNERS, L.P., a Delaware limited partnership

By: ICONIQ Strategic Partners GP, L.P., a Cayman Islands exempted limited partnership, its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd., a Cayman Islands exempted company, its General Partner

By: /s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS - B, L.P., a Cayman Islands exempted limited partnership

By: ICONIQ Strategic Partners GP, L.P., a Cayman Islands exempted limited partnership, its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd., a Cayman Islands exempted company, its General Partner

By: /s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL2 SERIES, a series of a Delaware series limited partnership

By: ICONIQ Strategic Partners GP, L.P., a Cayman Islands exempted limited partnership, its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd., a Cayman Islands exempted company, its General Partner

By: /s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

Exhibit 4.8

FORM OF

AMENDED AND RESTATED

STOCKHOLDERS' AGREEMENT

BY AND AMONG

SILVER LAKE SUMERU FUND, L.P.

SILVER LAKE TECHNOLOGY INVESTORS SUMERU L.P.

ICONIQ STRATEGIC PARTNERS, L.P.

THERESE TUCKER

MARIO SPANICCIATI

AND

BLACKLINE, INC.

DATED AS OF [•], 2016

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BLACKLINE, INC.
AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT

THIS AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT (as it may be amended from time to time in accordance with the terms hereof, the "Agreement"), dated as of [•], 2016, is made by and among Silver Lake, Iconiq, Tucker, Spanicciati (each as defined below), each of the other Persons listed as "Other Stockholders" on the Schedule of Other Stockholders as of the date hereof and such other Persons (as defined below) who may become party to this agreement from time to time in accordance with the provisions herein (collectively, with Silver Lake, Iconiq, Tucker and Spanicciati, the "Stockholders"), and Blackline, Inc., a Delaware corporation (the "Company"). This Agreement amends and restates in its entirety the Stockholders' Agreement by and among Silver Lake, Iconiq, Tucker and Spanicciati and the other parties named therein dated as of September 3, 2013 (the "Existing Stockholders' Agreement").

RECITALS

WHEREAS, the Stockholders own certain of the issued and outstanding equity securities of the Company; and

WHEREAS, the Stockholders and the Company are party to the Existing Stockholders' Agreement, which provides for certain agreements with respect to the management of the Company and the respective rights and obligations of the Stockholders generally; and

WHEREAS, on [•], 2016, the Company executed an underwriting agreement related to its IPO (as defined herein); and

WHEREAS, the parties hereto desire to amend and restate in their entirety the terms of the Existing Stockholders' Agreement to provide for certain governance rights and other matters, and to set forth the rights and obligations of the Stockholders following the IPO; and

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree that the Existing Stockholders' Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, that, for purposes of this agreement, (i) no Stockholder shall be deemed an Affiliate of the Company or any of its subsidiaries solely as a result of its ownership of equity of the Company and (ii) except for Section 5.05 and Section 5.16, portfolio companies of the Sponsors and their respective investment fund affiliates shall not be deemed to be Affiliates of the Sponsors.

"Affiliated Persons" has the meaning set forth in Section 5.06(a).

"Agreement" has the meaning set forth in the preamble.

"Beneficially Own" has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

"Board of Directors" means the board of directors of the Company.

"Breaching Board Composition Stockholder" has the meaning set forth in Section 3.01(n).

"Breaching Restricted Stockholder" has the meaning set forth in Section 4.05(d).

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by law or executive order to close.

"Change in Control" means the acquisition of the Company by any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) by means of any transaction or series of related transactions to which the Company is party and:

(i) such Person or group becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the total voting power of the voting stock of the Company (or any entity which controls the Company, or which is a successor to all or substantially all of the assets of the Company), including by way of merger, recapitalization, reorganization, redemption, issuance of capital stock, consolidation, tender or exchange offer or otherwise, other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Company held by such holders prior to such transaction, at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such transaction or series of transactions; or

(ii) such Person or group acquires all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis, by lease, license, sale or otherwise.

"Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall include a reference to any successor provision thereto.

"Common Shares" means the shares of common stock, par value $0.01 per share of the Company and any shares of capital stock of the Company issued or issuable with respect to such common stock by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, merger, recapitalization, reclassification, reorganization, exchange, subdivision, combination, or consolidation.

"Company" has the meaning set forth in the preamble.

"Drag-Along Buyer" has the meaning set forth in Section 4.05(a).

"Drag-Along Notice" has the meaning set forth in Section 4.05(a).

"Escrow Agent" has the meaning set forth in Section 4.05(e).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Existing Stockholders' Agreement" has the meaning set forth in the preamble.

"Fund Indemnitors" has the meaning set forth in Section 5.02.

"Iconiq" means, collectively, Iconiq Strategic Partners, L.P. and its Affiliates that are Stockholders hereunder.

"Iconiq Affiliated Person" means, each of Iconiq and all of its respective partners, principals, directors, officers, members, managers, managing directors, advisors, consultants and employees, Iconiq's Affiliates, the Iconiq Directors, or any officer of the Company that is an Affiliate of Iconiq.

"Iconiq Designee" has the meaning set forth in Section 3.01(c).

"Iconiq Director" has the meaning set forth in Section 3.01(a).

"Indemnification Agreements" has the meaning set forth in Section 5.02.

"Indemnitee" has the meaning set forth in Section 5.02.

"Independent Director" means a director that satisfies each of (a) the requirements to qualify as an "independent director" under the stock exchange rules of the stock exchange on which the Common Shares are then-currently listed, as amended from time to time, (b) the independence criteria set forth in Rule 10A-3 under the Exchange Act, as amended from time to time, and (c) the independence criteria for members of a compensation committee under the stock exchange rules of the stock exchange on which the Common Shares are then-currently listed, as amended from time to time.

"Initial Holding Period" has the meaning set forth in Section 4.01(a)(ii).

"IPO" means the Company's initial public offering of Common Shares.

"IPO Closing" means the closing of the IPO.

"IPO Date" means the date on which the registration statement on Form S-1 for the IPO was declared effective by the Securities and Exchange Commission.

"Necessary Action" means, with respect to a specified result, all actions that Person may take within such Person's control, to the fullest extent permitted by applicable law, necessary to cause such result, including, without limitation, (i) causing the adoption of Stockholders' resolutions by voting or providing a written consent or proxy with respect to the Common Shares, (ii) causing the adoption of amendments to the Organizational Documents, (iii) executing agreements and instruments with respect to Common Shares and (iv) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions, in each case, that are required to achieve such result. Notwithstanding anything contained herein to the contrary, a Stockholder shall not be liable for failure to cause such result so long as such Stockholder took actions reasonably necessary and within his control toward that end and no stockholder shall be obligated to breach his fiduciary duty as a director.

"Organizational Documents" means the Certificate of Incorporation and Bylaws of the Company, each as amended from time to time.

"Permitted Transferee" means (i) an Affiliate of a Stockholder and (ii) in the case of any Stockholder that is a partnership, limited liability company or foreign equivalent thereof, any partner, member or foreign equivalent thereof of such Stockholder; provided, however, that a partner, member or foreign equivalent thereof of a Stockholder shall not be a Permitted Transferee under clause (ii) unless the Transfer to such Person is made in an pro rata distribution in accordance with the applicable partnership agreement, limited liability company agreement or foreign equivalent thereof, as the case may be.

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

"Post-IPO Shares" means, with respect to a Stockholder, the number of Common Shares beneficially owned, directly or indirectly, by such Stockholder as of the IPO Closing.

"Proposed Transferee" has the meaning set forth in Section 4.04(a).

"Pro Rata Portion" means:

(a) for purposes of Section 4.04, a number of Common Shares determined by multiplying (i) the total number of Common Shares proposed to be Transferred by the Transferring Stockholder to the proposed Transferee, by (ii) a fraction, the numerator of which is the number of Common Shares beneficially owned by the Tagging Stockholder and the denominator of which is the aggregate number of Common Shares held by all Tagging Stockholders participating in a Proposed Transfer and the Transferring Stockholder; and

(b) for purposes of Section 4.05, a number of Common Shares determined by multiplying (i) the aggregate number of Common Shares held by the Restricted Stockholder by (ii) a fraction, the numerator of which is the aggregate number of Common Shares proposed to be Transferred by Silver Lake to the Drag-Along Buyer and the denominator of which is the aggregate number of Common Shares beneficially owned by Silver Lake.

"Restricted Shares" means, with respect to any Stockholder, the Common Shares beneficially owned by such Stockholder as of the date of the IPO Closing and, for the avoidance of doubt, not including Common Shares acquired Post-IPO.

"Restricted Stockholder" has the meaning set forth in Section 4.01.

"Rule 144" means Rule 144 under the Securities Act.

"Securities Act" means the U.S. Securities Act of 1933, as amended from time to time.

"Silver Lake" means, collectively, Silver Lake Sumeru Fund, L.P., Silver Lake Technology Investors Sumeru L.P. and their respective Affiliates that are Stockholders hereunder.

"Silver Lake Affiliated Person" means each of Silver Lake and all of its respective partners, principals, directors, officers, members, managers, managing directors, advisors, consultants and employees, Silver Lake's Affiliates, the Silver Lake Directors, or any officer of the Company that is an Affiliate of Silver Lake.

"Silver Lake Designee" has the meaning set forth in Section 3.01(c).

"Silver Lake Director" means the Initial Silver Lake Directors and any Silver Lake Designees who are elected to the Board of Directors.

"Spanicciati" means Mario Spanicciati and the Spanicciati Trusts.

"Spanicciati Trusts" means the stockholders listed under the heading "Spanicciati Trusts" on the Schedule of Other Stockholders.

"Sponsor Confidential Information" has the meaning set forth in Section 5.06(a).

"Sponsor Designees" has the meaning set forth in Section 3.01(c).

"Sponsor Directors" has the meaning set forth in Section 3.01(a).

"Sponsor Nominated Independent Director" has the meaning set forth in Section 3.01(b).

"Sponsors" means each of Silver Lake and Iconiq.

"Stockholder" has the meaning set forth in the preamble.

"Tag-Along Notice" has the meaning set forth in Section 4.04(b).

"Tagging Stockholder" has the meaning set forth in Section 4.04(a).

"Transfer" means, with respect to any Common Shares, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of such Common Shares, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law; and "Transferred", "Transferee", "Transferor" and "Transferability" shall each have a correlative meaning. For the avoidance of doubt, a transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of an interest in any Stockholder all or substantially all of whose assets are Common Shares shall constitute a "Transfer" for purposes of this Agreement, as if such interest was a direct interest in the Company.

"Transferring Stockholder" has the meaning set forth in Section 4.04(a).

"Tucker" means Therese Tucker and the Tucker Trusts.

"Tucker Trusts" means the stockholders listed under the heading " Tucker Trusts" on the Schedule of Other Stockholders.

"Unaffiliated Independent Director" has the meaning set forth in Section 3.01(a).

Section 1.02 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(a) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Exhibit, Schedule and Annex references are to this Agreement unless otherwise specified.

(b) The term "including" is not limiting and means "including without limitation."

(c) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(d) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

(e) For purposes of calculating any percentage of Post-IPO Shares of a Stockholder, (i) the numerator shall be the number of Common Shares beneficially owned, directly or indirectly, in the aggregate by such Stockholder as of the date on which the calculation shall be performed and (ii) the denominator shall be the number of Post-IPO Shares. Both the numerator and the denominator described in clause (i) and (ii), respectively, of the immediately preceding sentence shall automatically be proportionately adjusted effective upon the consummation of any transaction or series of related transactions (including, without limitation, any stock dividend, distribution, pro-rata redemption or stock repurchase, recapitalization, stock split or comparable transaction but not including any transfer or sale of shares by a Sponsor) that effects a change in the Common Shares.

(f) References to the Code, the Exchange Act and the Securities Act include (i) any successor law and (ii) any rules and regulations thereunder.

ARTICLE II
REPRESENTATIONS; WARRANTIES AND COVENANTS

Section 2.01 Representations and Warranties of the Stockholders. Each Stockholder hereby represents and warrants, severally and not jointly, and solely on its own behalf, to each other Stockholder and to the Company that on the date hereof:

(a) Existence; Authority; Enforceability. Such Stockholder has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. If an entity, such Stockholder is duly organized and validly existing under the laws of its jurisdiction of organization. The execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding, corporate or otherwise, on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by such Stockholder and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by such Stockholder of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the constitutive documents of such Stockholder, if any; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which such Stockholder is a party or by which such Stockholder's assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to such Stockholder.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such Stockholder in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.02 Representations and Warranties of the Company. The Company hereby represents and warrants to each Stockholder that on the date hereof:

(a) Existence; Authority; Enforceability. The Company has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The Company is duly organized and validly existing under the laws of its jurisdiction of organization, and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate action, and no other act or proceeding on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by the Company and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder do not and will not: (i) conflict with, or result in the breach of any provision of the organizational documents of the Company or any of its subsidiaries; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which the Company or any of its subsidiaries is a party or by which the Company's or any of its subsidiaries' assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to the Company or any of its subsidiaries.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by the Company or any of its subsidiaries in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.03 Entitlement of the Company and the Stockholders to Rely on Representations and Warranties. The foregoing representations and warranties may be relied upon by the Company, and by the Stockholders, in connection with the entering into of this Agreement.

ARTICLE III
GOVERNANCE

Section 3.01 Board of Directors.

(a) From and after the IPO Closing, the Board of Directors shall be comprised of at least eight (8) directors consisting of, (i) three (3) individuals designated by Silver Lake (each, an "Initial Silver Lake Director"), (ii) one (1) individual designated by Iconiq (the "Iconiq Director" and, together with the Silver Lake Directors, the "Sponsor Directors"), (iii) Tucker, (iv) Spanicciati and (v) two (2) Independent Directors (each, an "Unaffiliated Independent Director"). At the IPO Closing, the Silver Lake Directors shall be Hollie Moore Haynes, John Brennan and Jason Babcoke; the Iconiq Director shall be William Griffith; and the Unaffiliated Independent Directors shall be Graham Smith and Thomas Unterman. The foregoing directors shall be divided into three classes of directors, each of whose members shall serve for staggered three-year terms as follows:

(1) the class I directors shall include Therese Tucker and Mario Spanicciati;

(2) the class II directors shall include Jason Babcoke, Hollie Moore Haynes and Thomas Unterman; and

(3) the class III directors shall include John Brennan, William Griffith and Graham Smith.

The initial term of the class I directors shall expire at the Company's 2017 annual meeting of stockholders at which directors are elected. The initial term of the class II directors shall expire at the Company's 2018 annual meeting of stockholders at which directors are elected. The initial term of the class III directors shall expire at the Company's 2019 annual meeting at which directors are elected.

For the avoidance of doubt, this Section 3.01(a) is applicable solely to the initial composition of the Board of Directors.

(b) Prior to the first (1st) anniversary of the IPO Date, the Board of Directors will increase the size of the Board of Directors by one (1) director and appoint to the Board of Directors and Audit Committee an individual that qualifies as an Independent Director and as an audit committee financial expert (as such term is defined in Item 407 of Regulation S-K) (the "Sponsor Nominated Independent Director"). The Sponsor Nominated Independent Director will be nominated by Silver Lake and must be reasonably acceptable to the Board of Directors. If Silver Lake has not nominated an individual to be a Sponsor Nominated Independent Director prior to the 30th day prior to the first (1st) anniversary of the IPO Date, the Board of Directors may appoint an individual who qualifies as an Independent Director and as an audit committee financial expert to comply with the listing rules of the stock exchange on which the Company is listed.

(c) The Stockholders shall have the right to designate directors as follows:

(i) For so long as Silver Lake continues to beneficially own more than 35% of the issued and outstanding Common Shares, Silver Lake may designate, in its sole discretion, up to seven (7) individuals (each, a "Silver Lake Designee") to serve on the Board of Directors; provided, however, that (A) if Silver Lake beneficially owns, directly or indirectly, as of the date that is 120 days before the date of any annual or special meeting of stockholders at which directors are to be

elected (an "Ownership Measurement Date"), in the aggregate 35% or less, but more than 25% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Designees shall be reduced to no more than six (6) Silver Lake Designees; (B) if Silver Lake beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate 25% or less, but more than 20% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Designees shall be reduced to three (3) Silver Lake Designees; (C) if Silver Lake beneficially owns, directly or indirectly, as of the Ownership Measurement Date, in the aggregate 20% or less, but more than 10% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Designees shall be reduced to two (2) Silver Lake Designees; and (D) if Silver Lake beneficially owns, directly or indirectly, as of the Ownership Measurement Date, in the aggregate 10% or less, but at least 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Designees shall be reduced to one (1) Silver Lake Designee; provided, however, that if Silver Lake beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Silver Lake shall have no right to designate a Silver Lake Designee;

(ii) For so long as Iconiq beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares, Iconiq may designate, in its sole discretion, one (1) individual (an "Iconiq Designee" and, together with the Silver Lake Designees, the "Sponsor Designees") to serve on the Board of Directors; provided, however, that if Iconiq beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Iconiq shall have no right to designate an Iconiq Designee;

(iii) For so long as Tucker beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares and subject to Section 3.01(g), Tucker; provided, however, that if Tucker beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Tucker shall have no right to be nominated for election as a director; and

(iv) For so long as Spanicciati beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares and subject to Section 3.01(g), Spanicciati; provided, however, that if Spanicciati beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Spanicciati shall have no right to be nominated for election as a director.

(d) Upon delivery of a Director Designation Notice by Silver Lake at any time, the size of the Board of Directors will be increased to facilitate the election to the Board of Directors of the Silver Lake Designees named by Silver Lake in the Director Designation Notice, and such Silver Lake Designees will be elected to the Board of Directors consistent with Section 3.01(c). A "Director Designation Notice" shall mean a written notice delivered by Silver Lake to the Board of Directors c/o the Secretary of the Company stating that Silver Lake is designating an additional director in accordance with its rights set forth in this Agreement and naming such additional Silver Lake Designee.

(e) At each annual meeting, or special meeting of stockholders at which directors are to be elected, the Stockholders and the Board of Directors (and any applicable committee thereof) shall take all Necessary Action to, as applicable, (i) include any Sponsor Designee with the slate of nominees recommended by the Board of Directors for the applicable class of directors for election by the stockholders of the Company, and solicit proxies or consents in favor thereof and (ii) include Tucker and Spanicciati with the slate of nominees recommended by the Board of Directors for the applicable class of directors for election by the stockholders of the Company and solicit proxies or consents in favor thereof, in each case, subject to Section 3.01(c).

(f) To the extent not inconsistent with Section 141(k) of the General Corporation Law of the State of Delaware and the Company's Organizational Documents, (i) each Sponsor shall have the exclusive right to remove its Sponsor Directors from the Board of Directors, and the Board of Directors and each Stockholder shall take all Necessary Action to cause the removal of any Sponsor Director at the request of such designating Sponsor and (ii) such Sponsor shall have the exclusive right to designate for election to the Board of Directors individuals to fill vacancies created by reason of death, removal or resignation of its Sponsor Directors, and the Board of Directors and each Stockholder shall take all Necessary Action to cause any such vacancies to be filled by replacement directors designated by such Sponsor as promptly as reasonably practicable; provided, that, for the avoidance of doubt and notwithstanding anything to the contrary in this paragraph, such Sponsor shall not have the right to designate a replacement director, and the Board of Directors and each Stockholder shall not be required to take any action to cause any vacancy to be filled with any such Sponsor Designee, to the extent that election or appointment of such Sponsor Designee to the Board of Directors would result in a number of directors designated by such Sponsor in excess of the number of directors that such Sponsor is then entitled to designate for membership on the Board of Directors pursuant to Section 3.01(c).

(g) To the extent not inconsistent with Section 141(k) of the General Corporation Law of the State of Delaware and the Company's Organizational Documents, in the event that Tucker or Spanicciati ceases to be employed by the Company for any reason and she or he beneficially owns less than 5% of the issued and outstanding Common Shares, as applicable, then (i) she or he will immediately tender her or his resignation from the Board of Directors, effective only upon acceptance by the Board of Directors (excluding both Tucker and Spanicciati) and (ii) the Board of Directors may, in its sole discretion, accept or reject such resignation. If the Board of Directors rejects the resignation, Tucker or Spanicciati, as applicable, will continue to have the right to be designated for membership on the Board of Directors pursuant to Section 3.01(c); provided, that if the Board of Directors determines such resignation

would be in the best interests of the Company any time after the cessation of employment by Tucker or Spanicciati and regardless of the number of Common Shares held by Tucker or Spanicciati, as applicable, by unanimous vote of the directors excluding both Tucker and Spanicciati (i) the Board of Directors may require the delivery of Tucker or Spanicciati's immediate resignation (and each of Tucker and Spanicciati, as applicable, shall then deliver such resignation), as applicable, from the Board of Directors and (ii) each Stockholder shall take all Necessary Action to cause the removal of Tucker or Spanicciati, as applicable, from the Board of Directors.

(h) The Stockholders each hereby agree to be present in person or by proxy and vote or cause to be voted all Common Shares beneficially owned by such Stockholder at each annual or special meeting of the Company at which directors of the Company are to be elected, in favor of, or to take all actions by written consent in lieu of any such meeting as are necessary, or other Necessary Action to cause the election as members of the Board of Directors of those individuals described in Section 3.01(c) in accordance with, and otherwise to achieve the composition of the Board of Directors and effect the intent of, the provisions of this Section 3.01.

(i) For so long as the Stockholders collectively own or hold of record, directly or indirectly, in the aggregate at least 40% of their collective Post-IPO Shares and for so long as at least two Silver Lake Directors serve on the Board of Directors, the following actions by the Company and its subsidiaries shall require approval by the Board of Directors, including the affirmative vote of at least two Silver Lake Directors:

(i) any merger, consolidation or sale of all or substantially all of the assets of the Company or any of its subsidiaries, or any other transaction that would result in a Change in Control;

(ii) any voluntary liquidation, winding up or dissolution of the Company or any of its material subsidiaries or the initiation of any action relating to a voluntary bankruptcy, reorganization or recapitalization with respect to the Company or any of its material subsidiaries;

(iii) the disposition, in one or more related transactions, of assets with a value in excess of $50,000,000 or the entering into of a joint venture requiring a capital contribution in excess of $50,000,000 by either the Company or any of its subsidiaries;

(iv) any fundamental change in the Company's or its subsidiaries' existing lines of business or the entry by the Company or its subsidiaries into a new significant line of business;

(v) any amendment to the Organizational Documents of the Company;

(vi) the incurrence or guarantee by the Company or any of its subsidiaries of, or the granting of an encumbrance over the Company, any of its subsidiaries or any of their respective assets in connection with, indebtedness or derivatives liability, or any related series of indebtedness or derivative liabilities, in excess of $150,000,000 or amending in any material respect the terms of existing or future indebtedness or derivatives liability such that the aggregate liability is in excess of $150,000,000;

(vii) the appointment or termination of the Chief Executive Officer of the Company; and

(viii) the delegation any of the actions set forth in (i) – (vii) above to any committee of the Board of Directors.

(j) Any determination of compensation, benefits, perquisites and other incentives for the Chief Executive Officer of the Company and the approval or amendment of any plans or contracts in connection therewith, shall require approval by a majority of the independent members of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations, in which case any such determinations and approvals shall be made by the Compensation Committee.

(k) For so long as Silver Lake beneficially owns, directly or indirectly, in the aggregate more than 15% of the issued and outstanding Common Shares, Silver Lake shall have the right to have (i) one of its Silver Lake Directors appointed (at Silver Lake's election) as its representative to serve on the Audit Committee of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations, and such Silver Lake Director shall be replaced by the Sponsor Nominated Independent Director prior to the first (1st) anniversary of the IPO Date and (ii) two (2) Silver Lake Directors appointed (at Silver Lake's election) as its representatives to serve on the Compensation Committee and the Nominating and Corporate Governance Committee of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations.

(l) For so long as Silver Lake beneficially owns, directly or indirectly, in the aggregate more than 15% of the issued and outstanding Common Shares, any increase or decrease in the size of the Board of Directors or any committee thereof shall require approval by the Board of Directors, including the affirmative vote of at least two Silver Lake Directors; provided, however, if the Company has received a notice of delisting from the stock exchange on which its Common Stock is then listed due to a failure to comply with the applicable stock exchange rules relating to the composition of the Board of Directors, and Silver Lake has not taken action within five (5) Business Days of receipt of such notice to appoint Silver Lake Directors to the Board of Directors to cure the breach of the listing rules, the Board of Directors may increase the size of the Board of Directors, by vote of a majority of the members of the Board of Directors and without requiring the consent of two Silver Lake Directors, solely to permit the election of directors to enable the Board of Directors to satisfy the applicable stock exchange listing rules.

(m) The Company shall reimburse the members of the Board of Directors for reasonable expenses that are incurred as a result of serving as a director, including all reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the Board of Directors and any committees thereof, including without limitation travel, lodging and meal expenses. The Company shall also reimburse new members of the Board of Directors for travel expenses relating to orientation, and each member of the Board of Directors for the reasonable expenses of attendance at one external training program per year.

(n) The Company shall obtain and maintain customary director and officer indemnity insurance on commercially reasonable terms and the directors elected pursuant hereto shall also be provided the benefit of customary director indemnity provisions or agreements.

(o) Solely for purposes of Section 3.01 and in order to secure the performance of each Stockholder's obligations under Section 3.01, each Stockholder hereby irrevocably appoints Silver Lake Sumeru Fund , L.P. for the Proxy as the attorney-in-fact and proxy of such Stockholder (with full power of substitution) to vote or provide a written consent with respect to its Common Shares as described in this paragraph if, and only in the event that, such Stockholder fails to vote or provide a written consent with respect to its Common Shares in accordance with the terms of Section 3.01 (each such Stockholder, a "Breaching Board Composition Stockholder") within three (3) business days of a request for such vote or written consent. Upon such failure, Silver Lake shall have and is hereby irrevocably granted a proxy to vote or provide a written consent with respect to each such Breaching Board Composition Stockholder's Common Shares for the purposes of taking the actions required by Section 3.01. Each Stockholder intends this proxy to be, and it shall be, irrevocable for the term specified herein (or until the earlier termination of this Agreement) and coupled with an interest, and each Stockholder will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revoke any proxy previously granted by it with respect to the matters set forth in Section 3.01 with respect to the Common Shares owned by such Stockholder. This proxy shall terminate when Silver Lake beneficially owns, directly or indirectly, in the aggregate less than 5% of the issued and outstanding Common Shares.

Section 3.02 Additional Management Provisions.

(a) The Company hereby agrees and acknowledges that in the course of their duties as directors of the Company, the directors designated by each Sponsor will receive confidential, non-public information about the Company and its subsidiaries and may share such confidential information about the Company and its subsidiaries with such Sponsor; provided, that, the directors shall not share information that the Company has designated as attorney client, work product or similar privilege without the prior consent of the Company; provided, further, that such Sponsor shall keep such information confidential and shall not disclose any such information with respect to the Company or any of its subsidiaries to any third party without the prior approval of the Company, except to the extent that (i) disclosure is made in compliance with the proviso set forth in Section 5.06(a) (reversing references to the Company on the one hand with references to the Affiliated Persons or the Sponsor, as applicable, on the other hand) or (ii) the recipient is generally subject to customary confidentiality obligations. A Sponsor shall be responsible for any breach of the terms of this Section 3.02 by it or its Affiliated Persons, and shall take reasonably appropriate steps to safeguard confidential information of the Company from disclosure, misuse, espionage, loss and theft.

(b) No individual Stockholder, solely in their capacity as a Stockholder, shall have the authority to manage the business and affairs of the Company or contract for or incur on behalf of the Company any debts, liabilities or other obligations, and no such action of a Stockholder will be binding on the Company.

Section 3.03 Tax Covenants. The Company shall use its reasonable best efforts to conduct its affairs in a manner that does not cause any Stockholder (or any direct or indirect partner or member thereof) (i) that is exempt from taxation pursuant to Section 501 of the Code, to be allocated "unrelated business taxable income" (within the meaning of Section 512 of the Code) from the Company, or (ii) that is not a United States person for U.S. federal income tax purposes to be deemed engaged in a "trade or business" by virtue of the activities of the Company.

Section 3.04 Securities Law Filings. During the term of this Agreement, the Stockholders shall reasonably cooperate with each other to the extent required or appropriate in relation to filings with the Securities and Exchange Commission, including filings regarding the beneficial ownership of shares of the Company in a group as defined within Section 13d-3 under the Exchange Act.

ARTICLE IV
TRANSFERS OF SHARES

Section 4.01 Limitations on Transfer. (a) The Stockholders other than Silver Lake and any Silver Lake Affiliated Person (collectively, the "Restricted Stockholders") shall not be permitted to Transfer all or any portion of their Restricted Shares other than:

(i) to any Permitted Transferee in accordance with the terms of Section 4.02, provided, that, in the case of any Restricted Stockholder that is a partnership, limited liability company, or any foreign equivalent thereof, any Transfer to a partner, member or foreign equivalent thereof of such Restricted Stockholder, may only be made as a pro rata distribution in accordance with such Restricted Stockholder's governing documents;

(ii) prior to the earlier of (A) the second (2nd) anniversary of the IPO Closing and (B) the date on which the number of Common Shares beneficially owned, directly or indirectly, by Silver Lake has decreased to 50% of the Post-IPO Shares held by Silver Lake (the "Initial Holding Period"), with the consent of Silver Lake and subject to the tag-along rights and drag-along rights provisions of this Article IV;

(iii) after the Initial Holding Period, to any Transferee, without consent, subject only to the tag-along rights and drag-along rights provisions of this Article IV;

(iv) in a registered public offering pursuant to the Registration Rights Agreement;

(v) as a Tagging Stockholder in accordance with Section 4.04;

(vi) as a Restricted Stockholder in accordance with Section 4.05; and

(vii) in the case of each of Tucker and Spanicciati, up to a number of shares equal to one percent (1%) of the issued and outstanding Common Shares in any twelve month period pursuant to Rule 144.

(b) Notwithstanding the foregoing, in no event shall any Restricted Stockholder be entitled to Transfer its Restricted Shares to any Person considered by the Board of Directors or Silver Lake to be (i) an actual or potential competitor of, or (ii) otherwise adverse to, the Company (a "Adverse Party") or any other Person who (directly or indirectly) (A) holds an ownership interest in such Adverse Party equal to three percent (3%) or more of the outstanding voting securities of such Adverse Party or (B) has designated, or has the right to designate, a member of the board of directors of such Adverse Party, in each case without the approval of the Silver Lake, such approval being required only for so long as Silver Lake holds greater than 5% of the issued and outstanding Common Shares, except for Transfers in any bona fide underwritten public offering or sales pursuant to Rule 144 permitted by Section 4.01(a)(vii). In addition, no Stockholder shall be entitled to Transfer its Common Shares at any time if such Transfer would:

(i) violate the Securities Act, or any state (or other jurisdiction) securities or "Blue Sky" laws applicable to the Company or the Common Shares;

(ii) cause the Company to become subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended from time to time; or

(iii) be a non-exempt "prohibited transaction" under ERISA or the Code or cause all or any portion of the assets of the Company to constitute "plan assets" under ERISA or Section 4975 of the Code.

In the event of a purported Transfer by a Stockholder of any Common Shares in violation of the provisions of this Agreement, such purported Transfer will be void and of no effect, and the Company will not give effect to such Transfer.

(c) Each certificate or securities evidenced on the books and records of the transfer agent, as applicable, evidencing the Restricted Shares shall bear the following restrictive legend, either as an endorsement or on the face thereof:

THE SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION OF THE SECURITIES EVIDENCED HEREBY IS RESTRICTED BY THE TERMS OF A STOCKHOLDERS AGREEMENT, DATED AS OF [•], 2016, COPIES OF WHICH ARE ON FILE WITH THE ISSUER OF THIS CERTIFICATE. NO SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION SHALL BE EFFECTIVE UNLESS AND UNTIL THE TERMS AND CONDITIONS OF SUCH STOCKHOLDERS' AGREEMENT HAVE BEEN COMPLIED WITH IN FULL.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED OTHER THAN IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (OR OTHER APPLICABLE LAW), OR AN EXEMPTION THEREFROM.

(d) In the event that one or more of the restrictive legend set forth in Section 4.01(c) has ceased to be applicable, the Company shall provide or shall cause its transfer agent to provide any Stockholder, or its respective transferees, at their request, without any expense to such Persons (other than applicable transfer taxes and similar governmental charges, if any), with, in the case of securities evidenced by certificates, new certificates for such securities of like tenor not bearing the legend with respect to which the restriction has ceased and terminated or, in the case of securities evidenced on the books and records of the transfer agent, with a securities entry that is free of any restrictive notations corresponding to such legend.

Section 4.02 Transfer to Permitted Transferees. A Restricted Stockholder may Transfer its Restricted Shares to a Permitted Transferee of such Restricted Stockholder; provided that each Permitted Transferee of any Restricted Stockholder to which Restricted Shares are Transferred shall, and such Restricted Stockholder shall cause such Permitted Transferee to, Transfer back to such Restricted Stockholder (or to another Permitted Transferee of such Restricted Stockholder) any Restricted Shares it owns if such Permitted Transferee ceases to be a Permitted Transferee of such Restricted Stockholder. Notwithstanding the foregoing, the foregoing proviso shall not apply to those Persons described in clause (ii) of the definition of "Permitted Transferee".

Section 4.03 [Reserved]

Section 4.04 Tag-Along Rights. (a) If a Stockholder (the "Transferring Stockholder") proposes to Transfer all or any portion of its Restricted Shares (a "Proposed Transfer") (other than (i) to a Permitted Transferee, (ii) pursuant to or consequent upon the exercise of the drag-along rights set forth in Section 4.05, (iii) in the case of each of Tucker and Spanicciati, pursuant to Rule 144 subject to the limitation set forth in Section 4.01(a)(vii), or (iv) pursuant to a registered offering, each other Stockholder shall have the right to participate in the Transferring Stockholder's Transfer by Transferring up to its Pro Rata Portion to the proposed transferee (the "Proposed Transferee") (each Stockholder who exercises its rights under this Section 4.04(a), a "Tagging Stockholder").

(b) The Transferring Stockholder shall give written notice (a "Tag-Along Notice") to each other Stockholder of a Proposed Transfer, setting forth the number and class(es) of Restricted Shares proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration and other terms and conditions of payment offered by the Proposed Transferee. The Transferring Stockholder shall deliver or cause to be delivered to each other Stockholder copies of all transaction documents relating to the Proposed Transfer as the same become available. The tag-along rights provided by this Section 4.04 must be exercised by a Stockholder within a period of five (5) Business Days from the date

of the Tag-Along Notice, by delivery of a written notice to the Transferring Stockholder indicating its desire to exercise its rights and specifying the number and class(es) of Restricted Shares it desires to Transfer. With respect to each class of Restricted Shares proposed to be Transferred, if the Transferring Stockholder is unable to cause the Proposed Transferee to purchase all the Restricted Shares of such class proposed to be Transferred by the Transferring Stockholder and the Tagging Stockholders, then the maximum number of Restricted Shares of such class that each such Stockholder, including the Transferring Stockholder, is permitted to sell in such Proposed Transfer shall be equal to their Pro Rata Portion. The Transferring Stockholder shall have a period of sixty (60) days following the expiration of the five (5) Business Day period mentioned above to enter into a definitive agreement to sell all the Restricted Shares agreed to be purchased by the Proposed Transferee on the terms specified in the notice required by the first sentence of this Section 4.04(b). With respect to each class of Restricted Shares proposed to be Transferred, if the Proposed Transferee agrees to purchase more Restricted Shares of such class than specified in the Tag-Along Notice in the Proposed Transfer, the Stockholders shall also have the same right to participate in the Transfer of such Restricted Shares of such class that are in excess of the amount set forth on the Tag-Along Notice in accordance with this Section 4.04.

(c) Any Transfer of Restricted Shares by a Tagging Stockholder to a Proposed Transferee pursuant to this Section 4.04 shall be on the same terms and conditions (including, without limitation, price, time of payment and form of consideration) as to be paid to the Transferring Stockholder; provided that in order to be entitled to exercise its tag-along right pursuant to this Section 4.04, each Tagging Stockholder must agree to make to the Proposed Transferee representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* as those made by the Transferring Stockholder in connection with the Proposed Transfer (other than any non-competition, non-solicitation or similar agreements or covenants that would bind the Tagging Stockholder, its Affiliates or any of their respective portfolio companies), and agree to the same conditions to the Proposed Transfer as the Transferring Stockholder agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by the Transferring Stockholder and each Tagging Stockholder severally and not jointly and that the aggregate amount of the liability of the Tagging Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Tagging Stockholder as to the unencumbered title to its Restricted Shares and the power, authority and legal right to Transfer such Restricted Shares, such Tagging Stockholder's pro rata share of any such liability to be determined in accordance with such Tagging Stockholder's portion of the total number of Restricted Shares included in such Transfer; provided that, in any event the amount of liability of any Tagging Stockholder shall not exceed the proceeds such Tagging Stockholder received in connection with such Transfer. Each Tagging Stockholder shall be responsible for its proportionate share of the costs of the Proposed Transfer to the extent not paid or reimbursed by the Proposed Transferee or the Company.

Section 4.05 Drag-Along Rights. (a) For so long as Silver Lake holds greater than ten percent (10%) of the issued and outstanding Common Shares and Silver Lake agrees to enter into a transaction which would result in a Change in Control, Silver Lake may compel each Restricted Stockholder to sell its Common Shares by delivering written notice (a "Drag-Along Notice") to the Restricted Stockholders stating that Silver Lake wishes to exercise its rights

under this Section 4.05 with respect to such Transfer, and setting forth the name and address of the purchaser in the Change in Control (a "Drag-Along Buyer"), the number of Common Shares proposed to be Transferred, the proposed amount and form of the consideration, and all other material terms and conditions offered by the Drag-Along Buyer.

(b) Upon delivery of a Drag-Along Notice, each Restricted Stockholder shall be required to Transfer its Pro Rata Portion, on the same terms and conditions (including, without limitation, as to price, time of payment and form of consideration) as agreed by Silver Lake and the Drag-Along Buyer, and shall make to the Drag-Along Buyer representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* to those made by Silver Lake in connection with the Transfer (other than any non-competition, non-solicitation or similar agreements or covenants that would bind the Restricted Stockholder, its Affiliates or any of their respective portfolio companies), and shall agree to the same conditions to the Transfer as Silver Lake agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by Silver Lake and each Restricted Stockholder severally and not jointly and that the aggregate amount of the liability of the Restricted Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Restricted Stockholder as to the unencumbered title to its Common Shares and the power, authority and legal right to Transfer such Common Shares, such Restricted Stockholder's pro rata share of any such liability, to be determined in accordance with such Restricted Stockholder's portion of the total number of Common Shares included in such Transfer; provided that, in any event the amount of liability of any Restricted Stockholder shall not exceed the proceeds such Restricted Stockholder received in connection with such Transfer.

(c) In the event that a Change in Control is structured as a (i) merger, consolidation, or similar business combination, each Restricted Stockholder agrees to (A) vote in favor of the transaction, (B) take such other action as may be required to effect such transaction (subject to Section 4.05(b)) and (C) take all action to waive any dissenters, appraisal or other similar rights with respect thereto or (ii) sale of assets, each Restricted Stockholder agrees to vote in favor of (to the extent requested or required to vote for) such transaction and any subsequent liquidation or other distribution of the proceeds therefrom in accordance with the Company's Organizational Documents.

(d) Solely for purposes of Section 4.05(c)(i) and in order to secure the performance of each Restricted Stockholder's obligations under Section 4.05(c)(i), each Restricted Stockholder hereby irrevocably appoints Silver Lake the attorney-in-fact and proxy of such Restricted Stockholder (with full power of substitution) to vote or provide a written consent with respect to its Common Shares as described in this paragraph if, and only in the event that, such Restricted Stockholder fails to vote or provide a written consent with respect to its Common Shares in accordance with the terms of Section 4.05(c)(i) (each such Restricted Stockholder, a "Breaching Restricted Stockholder") within three (3) business days of a request for such vote or written consent. Upon such failure, Silver Lake shall have and is hereby irrevocably granted a proxy to vote or provide a written consent with respect to each such Breaching Restricted Stockholder's Common Shares for the purposes of taking the actions required by Section 4.05(c)(i). Each Restricted Stockholder intends this proxy to be, and it shall be, irrevocable for the term specified herein (or until the earlier termination of this Agreement) and coupled with an

interest, and each Restricted Stockholder will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revoke any proxy previously granted by it with respect to the matters set forth in Section 4.05(c)(i) with respect to the Common Shares owned by such Restricted Stockholder. Notwithstanding the foregoing, the conditional proxy granted by this Section 4.05(d) shall be deemed to be revoked upon the termination of this Article IV in accordance with its terms.

(e) If any Restricted Stockholder fails to deliver to the Drag-Along Buyer the certificate or certificates evidencing Common Shares to be sold pursuant to this Section 4.05, Silver Lake may, at its option, in addition to all other remedies it may have, arrange for the deposit of the purchase price (including any promissory note constituting all or any portion thereof) for such Common Shares with any national bank or trust company having combined capital, surplus and undivided profits in excess of $100 million (the "Escrow Agent"), and the Company shall cancel on its books the certificate or certificates representing such Common Shares and thereupon all of such Restricted Stockholder's rights in and to such Common Shares shall terminate. Thereafter, upon delivery to the Company by such Restricted Stockholder of the certificate or certificates evidencing such Common Shares (for the avoidance of doubt, including a new certificate or certificates issued pursuant to Section 167 of the Delaware General Corporation Law in the discretion of the Company) (duly endorsed, or with stock powers duly endorsed, for transfer, with signature guaranteed, free and clear of any liens or encumbrances, and with any stock transfer tax stamps affixed), Silver Lake shall instruct the Escrow Agent to deliver the purchase price (without any interest from the date of the closing to the date of such delivery, any such interest to accrue to the Company) to such Restricted Stockholder.

Section 4.06 Rights and Obligations of Transferees. (a) Any Transfer of Restricted Shares to any Permitted Transferee (other than a Stockholder), which Transfer is otherwise in compliance herewith, shall be permitted hereunder only if the Transferee of such Restricted Shares agrees in writing that it shall, upon such Transfer, assume with respect to such Restricted Shares the Transferor's obligations under this Agreement and become a party to this Agreement for such purpose, and any other agreement or instrument executed and delivered by such Transferor in respect of the Restricted Shares.

(b) Upon any Transfer of Restricted Shares to any Permitted Transferee (other than a Stockholder), which Transfer is otherwise in compliance herewith, the Permitted Transferee shall, upon such Transfer, assume all rights held by the Transferor at the time of the Transfer with respect to such Restricted Shares, provided that no Permitted Transferee (other than any Affiliate of a Sponsor) shall acquire any of the rights provided in Article III hereof by reason of such Transfer.

ARTICLE V
GENERAL PROVISIONS

Section 5.01 [Reserved].

Section 5.02 Indemnification Priority. The Company hereby acknowledges that, in addition to the rights provided to each Silver Lake Director, Iconiq Director or other indemnified Person covered by any indemnity insurance policy (any such Person, an "Indemnitee"), the Organizational Documents or any indemnification agreement that such Indemnitee may enter into with the Company from time to time (collectively, the "Indemnification Agreements"), the Indemnitees may have certain rights to indemnification, advancement of expenses and/or insurance provided by Silver Lake or Iconiq, as the case may be, or one or more of its respective Affiliates (excluding the Company and its subsidiaries) now or hereafter (with respect to Silver Lake or Iconiq, as applicable, the "Fund Indemnitors"). Notwithstanding anything to the contrary in any of the Indemnification Agreements or this Agreement, the Company hereby agrees that, to the fullest extent permitted by law, with respect to its indemnification and advancement obligations to the Indemnitees under the Indemnification Agreements, this Agreement or otherwise, the Company (i) is the indemnitor of first resort (i.e., its and its insurers' obligations to advance expenses and to indemnify the Indemnitees are primary and any obligation of the Fund Indemnitors or their insurers to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any of the Indemnitees is secondary and excess), (ii) shall be required to advance the full amount of expenses incurred by each Indemnitee and shall be liable for the full amount of all losses, liabilities, damages, deficiencies, fines and assessments, claims, judgments, awards, settlements, demands, offsets, costs or expenses (including without limitation, interest, penalties, court costs, arbitration costs and fees, costs of investigation, witness fees, fees and expenses of outside attorneys, investigators, expert witnesses, accountants and other professionals, and any federal, state, local or foreign tax imposed as a result of actual or deemed receipt of any payments by the Indemnified Person pursuant to this Agreement) of each Indemnitee or on his, her or its behalf to the extent legally permitted and as required by this Agreement and the Indemnification Agreements, without regard to any rights such Indemnitees may have against the Fund Indemnitors or their insurers, and (iii) irrevocably waives and relinquishes, and releases the Fund Indemnitors and such insurers from, any and all claims against the Fund Indemnitors or such insurers for contribution, subrogation or any other recovery of any kind in respect thereof. In furtherance and not in limitation of the foregoing, the Company agrees that in the event that any Fund Indemnitor or its insurer should advance any expenses or make any payment to any Indemnitee for matters subject to advancement or indemnification by the Company pursuant to this Agreement or otherwise, the Company shall promptly reimburse such Fund Indemnitor or insurer and that such Fund Indemnitor or insurer shall be subrogated to all of the claims or rights of such Indemnitee under the Indemnification Agreements, this Agreement or otherwise, including to the payment of expenses in an action to collect. The Company agrees that any Fund Indemnitor or insurer thereof not a party hereto shall be an express third party beneficiary of this Section 5.02, able to enforce such clause according to its terms as if it were a party hereto. Nothing contained in the Indemnification Agreements is intended to limit the scope of this Section 5.02 or the other terms set forth in this Agreement or the rights of the Fund Indemnitors or their insurers hereunder.

Section 5.03 Merger with Subsidiary. In the event of any merger, statutory share exchange or other business combination of the Company with any of its subsidiaries in which the Company is not the surviving entity, each of the Stockholders' shall, to the extent necessary, as they determine, execute a stockholders' agreement with terms that are substantially equivalent to this Agreement; provided that such stockholders' agreement shall terminate upon the same terms and conditions as provided herein.

Section 5.04 Waivers. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is made expressly in writing and executed and delivered by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

Section 5.05 Other Businesses; Waiver of Certain Duties. (a) Each Stockholder (for itself and on behalf of the Company) hereby, to the fullest extent permitted by applicable law:

(i) confirms that none of the Sponsors has any duty to any other Stockholder or to the Company or any of its subsidiaries other than the specific covenants and agreements set forth in this Agreement;

(ii) acknowledges and agrees that, (A) in the event of any conflict of interest between the Company or any of its subsidiaries, on the one hand, and any Sponsor, on the other hand, such Sponsor (or its respective Sponsor Directors acting in his or her capacity as a director) may act in its best interest and (B) no Sponsor (or its respective Sponsor Directors acting in his or her capacity as a director), shall be obligated (1) to reveal to the Company or its subsidiaries confidential information belonging to or relating to the business of such person or (2) to recommend or take any action in its capacity as such Stockholder or director, as the case may be, that prefers the interest of the Company or its subsidiaries over the interest of such person; and

(iii) waives any claim or cause of action against any Sponsor, any Sponsor Director and any officer, employee, agent or Affiliate of any such person that may from time to time arise in respect of a breach by any such person of any duty or obligation disclaimed under Section 5.05(c)(i) through (ii).

(b) Each Stockholder agrees that the waivers, limitations, acknowledgments and agreements set forth in this Section 5.05 shall not apply to any alleged claim or cause of action against a Sponsor Director, Sponsor, any of a Sponsor's Affiliates or any of their respective employees, officers, directors, agents or authorized representatives based upon the breach or nonperformance by such person of this Agreement or other agreement to which such person is a party.

The provisions of this Section 5.05, to the extent that they restrict the duties and liabilities of a Sponsor or Sponsor Director otherwise existing at law or in equity, are agreed by the Stockholders to replace such other duties and liabilities of such Sponsors or Sponsor Director to the fullest extent permitted by applicable law.

Section 5.06 Confidentiality.

(a) The Company hereby agrees that it and its subsidiaries, and it and its subsidiaries' respective employees, directors, officers and agents, with the exception of the Silver Lake Affiliated Persons and the Iconiq Affiliated Persons (each, an "Affiliated Person"), shall keep confidential, and shall not disclose to any third Person or use for its own benefit, without prior approval of Silver Lake or Iconiq, as applicable, any non-public information with respect to such Sponsor, or any of its subsidiaries or Affiliates (including any Person in which such Sponsor holds, or contemplates acquiring, an investment, but excluding the Company and its subsidiaries) (collectively "Sponsor Confidential Information") that is in the Company's or such Affiliated Persons' possession on the date hereof or disclosed after the date of this Agreement to the Company or such Affiliated Persons by or on behalf of such Sponsor, or its subsidiaries or Affiliates, provided, that the Company and the Affiliated Persons may disclose any such Sponsor Confidential Information (i) that has become generally available to the public, was or has come into the Company's or the Affiliated Persons' possession on a non-confidential basis, without a breach of any confidentiality obligations by the Person disclosing such Sponsor Confidential Information, or has been independently developed by the Company or the Affiliated Persons, without use of Sponsor Confidential Information, (ii) to the Company's Affiliates, and its and their respective directors, officers, representatives, agents and employees and professional advisers who need to know such Sponsor Confidential Information and agree to keep it confidential on terms consistent with this Section 5.06(a), (iii) to the extent necessary in order to comply with any law, order, regulation or ruling applicable to the Company or its Affiliates, or to a regulatory agency with applicable jurisdiction, and (iv) as may be required in response to any summons or subpoena or in connection with any litigation or arbitration, it being agreed that, unless such Sponsor Confidential Information has been generally available to the public, if such Sponsor Confidential Information is being requested pursuant to a summons or subpoena or a discovery request in connection with a litigation, then (x) the Company shall give Silver Lake or Iconiq, as applicable, notice of such request and shall cooperate with such Sponsor so that such Sponsor may, in its discretion, seek a protective order or other appropriate remedy, if available, and (y) in the event that such protective order is not obtained (or sought by such Sponsor after notice), the Company (a) shall furnish only that portion of the Sponsor Confidential Information which, in the written opinion of counsel, is legally required to be furnished and (b) will exercise its reasonable efforts to obtain adequate assurances that confidential treatment will be accorded such Sponsor Confidential Information by its recipients. The Company grants permission to Silver Lake and Iconiq to use the name and logo of the Company in marketing materials used by Silver Lake, Iconiq and their respective Affiliates. Silver Lake, Iconiq and their respective Affiliates shall include a trademark attribution notice giving notice of the Company's ownership of its trademarks in any marketing materials in which the Company's name and logo appear.

(c) Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 5.06 shall survive termination of this Agreement with respect to matters arising before or after such termination, and shall remain in full force and effect until such time as such provisions are explicitly waived and revoked by Silver Lake or Iconiq, as applicable or the Company. Such waiver and revocation shall be made in writing to the Company or such Sponsor and shall take effect at the time specified therein or, if no time is specified therein, at the time of receipt thereof by the Company or such Sponsor.

Section 5.07 Assignment; Benefit.

(a) The rights and obligations hereunder shall not be assignable without the prior written consent of the other parties hereto except as provided under Article IV. Any assignment of rights or obligations in violation of this Section 5.07 shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns, and there shall be no third-party beneficiaries to this Agreement, except as expressly stated.

Section 5.08 Termination. The provisions of Article IV shall terminate as specified therein. The remainder of this Agreement shall terminate automatically (without any action by any party hereto) as to each Stockholder when such Stockholder ceases to hold at least 1% of the issued and outstanding Common Shares.

Section 5.09 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.10 Entire Agreement; Amendment. This Agreement sets forth the entire understanding and agreement between the parties with respect to the transactions contemplated herein and supersedes and replaces any prior understanding, agreement or statement of intent, in each case written or oral, of any kind and every nature with respect hereto. No provision of this Agreement may be amended, modified or waived in whole or in part at any time without an agreement in writing executed by each Sponsor; provided that (a) any amendment that would have a material adverse effect on a Stockholder shall require the written consent of that Stockholder and (b) this Section 5.10 may not be amended without the prior written consent of all Stockholders.

Section 5.11 Counterparts. 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.

Section 5.12 Notices. Unless otherwise specified herein, all notices, consents, approvals, reports, designations, requests, waivers, elections and other communications authorized or required to be given pursuant to this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by personal hand-delivery, by facsimile transmission, by electronic mail, by mailing the same in a sealed envelope, registered first-class mail, postage prepaid, return receipt requested, or by air courier guaranteeing overnight delivery, sent to the Stockholders at the following addresses (or such other address as such Stockholders may specify by notice to the Company:

If to the Company:

Blackline, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
Attention: Karole Morgan-Prager
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati

650 Page Mill Road
Palo Alto, California 94304
Attention: Katharine A. Martin
Telephone: ###
Fax: ###

if to Silver Lake, to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Hollie Moore Haynes
Jason Babcoke
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Kirkland & Ellis, LLP
3330 Hillview Avenue
Palo Alto, California 94304
Attention: Adam D. Phillips
Telephone: ###
Fax: ###

If to Iconiq, to:

Iconiq Strategic Partners, L.P.
394 Pacific, 2nd Floor
San Francisco, CA 94111
Attention: Kevin Foster
Telephone: ###

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Attention: Ilan Nissan and Jane Greyf
Telephone: ### and ###
Fax: ### and ###

If to Tucker or Spanicciati, to the address on file with the Company.

If to an Other Stockholder, to the address set forth in the Schedule of Other Stockholders.

Section 5.13 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE COURTS OF THE STATE OF DELAWARE OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR) THE U.S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

Section 5.14 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH STOCKHOLDER WAIVES, AND COVENANTS THAT SUCH PARTY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH THE DEALINGS OF ANY STOCKHOLDER OR THE COMPANY IN CONNECTION WITH ANY OF THE ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. The Company or any Stockholder may file an original counterpart or a copy of this Section 5.14 with any court as written evidence of the consent of the Stockholders to the waiver of their rights to trial by jury.

Section 5.15 Specific Performance. It is hereby agreed and acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that, in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 5.16 No Third Party Liability. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto; and no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 5.17 Aggregation of Shares. All Common Shares beneficially owned by a Sponsor shall be aggregated together for purposes of determining the availability of any rights hereunder. As among the members of any Sponsor, such Sponsor may allocate the ability to exercise any rights under this Agreement in any manner that such Sponsor sees fit.

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

BLACKLINE, INC.

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

SILVER LAKE SUMERU FUND, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.
Its: General Partner

By: SLTA Sumeru (GP), L.L.C.
Its: General Partner

By: Silver Lake Group, L.L.C.
Its: Sole Member

By: _____
Name:
Its:

SILVER LAKE TECHNOLOGY INVESTORS SUMERU, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.
Its: General Partner

By: SLTA Sumeru (GP), L.L.C.
Its: General Partner

By: Silver Lake Group, L.L.C.
Its: Sole Member

By: _____
Name:
Its:

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

ICONIQ STRATEGIC PARTNERS, L.P.

By: Iconiq Strategic Partners GP, L.P.

By: Iconiq Strategic Partners TT GP, Ltd.

By: _____
Name:
Its:

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

THERESE TUCKER

By: _____

Signature Page to Stockholders Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

MARIO SPANICCIATI

By: _____

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

ISAAC TUCKER 2012 IRREVOCABLE TRUST

Name: Therese Tucker
Title: Trustee

ROSEANNA TUCKER 2012 IRREVOCABLE TRUST

Name: Therese Tucker
Title: Trustee

SAFETY NET GRAT

Name: Therese Tucker
Title: Trustee

CS 2015 GRAT

Name: Therese Tucker
Title: Trustee

TUCKER LEGACY TRUST

Name: Karen Seimetz
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

SPANICCIATI FAMILY 2013 DYNASTY TRUST

Name: Michael Tranter
Title: Trustee of the Spanicciati Family 2013 Dynasty Trust, and not individually or in any other capacity

SPANICCIATI FAMILY 2013 IRREVOCABLE TRUST

Name: Michael Tranter
Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

Name: Diana Laurenti
Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

SCHEDULE OF OTHER STOCKHOLDERS

Name	Address
Tucker Trusts	
Roseanne Tucker 2012 Irrevocable Trust	
Isaac Tucker 2012 Irrevocable Trust	
Tucker Legacy Trust,	
Safety Net GRAT	
CS 2015 GRAT	
Spanicciati Trusts	
Diana Laurenti and Michael Tranter, Trustees of the Spanicciati Family Trust 2013 Irrevocable Trust dated 4/30/2013	
Michael Tranter, Trustee of the Spanicciati Family 2013 Dynasty Trust	

FORM OF

AMENDED AND RESTATED

REGISTRATION RIGHTS AGREEMENT

BY AND AMONG

BLACKLINE, INC.

SILVER LAKE SUMERU FUND, L.P.

SILVER LAKE TECHNOLOGY INVESTORS SUMERU L.P.

ICONIQ STRATEGIC PARTNERS, L.P.

THERESE TUCKER

AND

MARIO SPANICCIATI

DATED AS OF [•], 2016

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AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated as of [•], 2016, by and among Blackline, Inc., a Delaware corporation ("Blackline"), (together with its successors, the "Company"), Silver Lake, Iconiq, Tucker, Spanicciati (each as defined below), each of the other Persons listed as "Other Stockholders" on the Schedule of Other Stockholders as of the date hereof and such other Persons, if any, from time to time that become party hereto as holders of Registrable Securities (as defined below) pursuant to Section 3.06. This Agreement amends and restates in its entirety the Registration Rights Agreement by and among Silver Lake, Iconiq, each of the Other Stockholders party thereto and Blackline, Inc., dated as of September 3, 2013 (the "Existing Registration Rights Agreement").

WITNESSETH:

WHEREAS, the parties entered into the Existing Registration Rights Agreement regarding Registrable Securities of the Company;

WHEREAS, on [•], 2016, the Company priced an initial public offering (the "IPO") of Common Shares (as defined below) pursuant to an Underwriting Agreement dated [•], 2016 (the "Underwriting Agreement");

WHEREAS, the parties believe that it is in the best interests of the Company and the other parties hereto to set forth their agreements regarding registration rights applicable to the Registrable Securities of the Company and certain other matters following the closing of the IPO (the "IPO Closing").

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Adverse Disclosure" means public disclosure of material non-public information that, in the Board of Directors' good faith judgment, after consultation with independent outside counsel to the Company, (i) would be required to be made in any Registration Statement or report filed with the SEC by the Company so that such Registration Statement would not be misleading; (ii) would not be required to be made at such time but for the filing of such Registration Statement or report; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

"Agreement" has the meaning set forth in the preamble.

"Affiliate" has the meaning specified in Rule 12b-2 under the Exchange Act; provided, that no Holder shall be deemed an Affiliate of the Company or any of its subsidiaries for purposes of this Agreement. The term "Affiliated" has a correlative meaning.

"Blackline Stockholders' Agreement" means the Amended and Restated Stockholders' Agreement, by and among the Company, Silver Lake, Iconiq, Tucker and Spanicciati, dated as of the date hereof, as amended, modified or supplemented from time to time.

"Block Trade" means any bought deal or block sale to a financial institution.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks located in New York, New York are required or authorized by law to be closed.

"Common Share Equivalents" means securities (including, without limitation, warrants) exercisable, exchangeable or convertible into Common Shares.

"Common Shares" means the shares of common stock, par value $.01 per share and any shares of capital stock of the Company issued or issuable with respect to such common stock by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

"Company" has the meaning set forth in the preamble and shall include the Company's successors by merger, acquisition, reorganization, conversion or otherwise.

"Company Public Sale" has the meaning set forth in Section 2.03(a).

"Demand Notice" has the meaning set forth in Section 2.01(e).

"Demand Period" has the meaning set forth in Section 2.01(d).

"Demand Registration" has the meaning set forth in Section 2.01(a).

"Demand Registration Statement" has the meaning set forth in Section 2.01(a).

"Demand Request" has the meaning set forth in Section 2.01(a).

"Demand Rights Holder" means each of Silver Lake, Iconiq, Tucker and Spanicciati.

"Demand Suspension" has the meaning set forth in Section 2.01(f).

"Demanding Holder" has the meaning set forth in Section 2.01(a).

"Effectiveness Date" means the date immediately following the IPO Closing.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Holder" means any holder of Registrable Securities who is a party hereto or who succeeds to rights hereunder pursuant to Section 3.06.

"Iconiq" means Iconiq Strategic Partners, L.P. and its Affiliates and permitted assignees hereunder.

"IPO" has the meaning set forth in the Recitals.

"IPO Closing" has the meaning set forth in the Recitals.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

"Long-Form Registration Statement" has the meaning set forth in Section 2.01(a).

"Marketed Underwritten Offering" means an Underwritten Offering for which the senior executive officers of the Company will participate in customary "road show" presentations pursuant to Section 2.05(a)(xxiv).

"Participating Holder" means, with respect to any Registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

"Participation Conditions" has the meaning set forth in Section 2.02(e)(ii).

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

"Piggyback Registration" has the meaning set forth in Section 2.03(a).

"Potential Takedown Participant" has the meaning set forth in Section 2.02(e)(ii).

"Pro Rata Portion" means a number of such shares equal to the aggregate number of Registrable Securities to be sold in a Public Offering (excluding any shares to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities held by such Holder immediately after giving effect to the consummation of the IPO, and the denominator of which is the aggregate number of Registrable Securities held by all Holders immediately after giving effect to the consummation of the IPO requesting that their Registrable Securities be sold in such Public Offering. If a Holder transfers Registrable Securities pursuant to Section 3.06, the numerator and denominator referred to above will be calculated as follows: (i) for the transferring Holder, the aggregate number of Registrable Securities held by such Holder immediately after giving effect to the

consummation of the IPO shall be deemed to be decreased by the amount of Registrable Securities transferred and (ii) for the Holder to which Registrable Securities have been transferred, such Holder shall be deemed to have held the Registrable Securities transferred to it as if it had held such Registrable Securities immediately after giving effect to the consummation of the IPO.

"Prospectus" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

"Public Offering" means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S-4 or Form S-8 or any successor form).

"Public Sale" means a Company Public Sale or an Underwritten Offering.

"Registrable Securities" means (i) any Common Shares (including any issuable or issued upon exercise, exchange or conversion of any Common Share Equivalents) that are owned or held of record, directly or indirectly, by a Holder immediately after giving effect to the consummation of the IPO and (ii) any securities that may be issued or distributed or be issuable in respect of any Common Shares by way of conversion, dividend, stock split or other distribution, merger, consolidation, exchange, recapitalization or reclassification or similar transaction that are owned or held of record, directly or indirectly, by a Holder; provided, however, that any such Registrable Securities shall cease to be Registrable Securities to the extent (x) a Registration Statement with respect to the sale of such Registrable Securities has been declared effective under the Securities Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such Registration Statement, (y) such Registrable Securities have been sold pursuant to Rule 144 (or any similar or analogous rule promulgated under the Securities Act) under the Securities Act, or (z) such Registrable Securities shall have been otherwise transferred and such securities may be publicly resold without Registration under the Securities Act.

"Registration" means a registration with the SEC of the Company's securities for offer and sale to the public under a Registration Statement. The term "Register" shall have a correlative meaning.

"Registration Expenses" has the meaning set forth in Section 2.08.

"Registration Statement" means any registration statement of the Company filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Released Percentage" has the meaning set forth in Section 2.04(a).

"Representatives" means, with respect to any Person, any of such Person's officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, equity financing partners or financial advisors or other Person associated with, or acting on behalf of, such Person.

"SEC" means the Securities and Exchange Commission.

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

"Shelf Period" has the meaning set forth in Section 2.02(b).

"Shelf Registration" means a Registration effected pursuant to Section 2.02.

"Shelf Registration Statement" means a Registration Statement of the Company filed with the SEC on either (i) Form S-3 (or any successor form or other appropriate form under the Securities Act) or (ii) if the Company is not permitted to file a Registration Statement on Form S-3, an Registration Statement on Form S-1 (or any successor form or other appropriate form under the Securities Act), in each case for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the SEC) covering the Registrable Securities, as applicable.

"Shelf Suspension" has the meaning set forth in Section 2.02(f).

"Shelf Takedown" means a Public Offering pursuant to an effective Shelf Registration Statement.

"Shelf Takedown Notice" has the meaning set forth in Section 2.02(e)(ii).

"Shelf Takedown Request" has the meaning set forth in Section 2.02(e)(i).

"Short-Form Registration Statement" has the meaning set forth in Section 2.01(a).

"Silver Lake" means, collectively, Silver Lake Sumeru Fund, L.P., Silver Lake Technology Investors Sumeru L.P. and their respective Affiliates and their permitted assignees hereunder.

"Spanicciati" means Mario Spanicciati and the Spanicciati Trusts.

"Spanicciati Trusts" means the stockholders listed under the heading "Spanicciati Trusts" on the Schedule of Other Stockholders.

"Tucker" means Therese Tucker and the Tucker Trusts.

"Tucker Trusts" means the stockholders listed under the heading "Tucker Trusts" on the Schedule of Other Stockholders.

"Underwritten Offering" means an underwritten Public Offering, including any bought deal or block sale to a financial institution conducted as an underwritten Public Offering.

"Underwritten Shelf Takedown" means an Underwritten Offering pursuant to an effective Shelf Registration Statement.

Section 1.02 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms thereof.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection, Section, Exhibit, Schedule and Annex references are to this Agreement unless otherwise specified.

(c) The term "including" is not limiting and means "including without limitation." (d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE II
REGISTRATION RIGHTS

Section 2.01 Demand Registration.

(a) Demand by the Demand Rights Holders. Subject to the limitations set forth in Section 2.01(b), if at any time on or after the Effectiveness Date, there is no currently effective Shelf Registration Statement on file with the SEC, a Demand Rights Holder may from time to time and at any time make a written request (a "Demand Request") to the Company for Registration of all or part of the Registrable Securities held by such Demand Rights Holder (a "Demanding Holder") (i) on Form S-1 or any similar long-form Registration Statement (a "Long-Form Registration") (if the Company is not eligible for a Short-Form Registration (as defined below)) or (ii) on Form S-3 or any similar short-form Registration Statement (a "Short-Form Registration") if the Company is qualified to use such short form. Any such requested Long-Form Registration or Short-Form Registration shall hereinafter be referred to as a "Demand Registration." Each request for a Demand Registration shall specify the kind and aggregate amount of Registrable Securities to be Registered and the intended methods of disposition thereof. Within (i) forty-five (45) days in the case of a request for a Long-Form Registration or (ii) thirty (30) days in the case of a request for a Short-Form Registration, the Company shall use its reasonable best efforts to file a Registration Statement relating to such Demand Registration (a "Demand Registration Statement"), and shall use its reasonable best efforts to cause such Demand Registration Statement to be declared effective as promptly as practicable under (x) the Securities Act and (y) the "Blue Sky" laws of such jurisdictions as any Participating Holder or any underwriter, if any, reasonably requests.

(b) Limitation on Demand Registrations.

(i) Silver Lake shall have the right to request an unlimited number of Long-Form Registrations and Short-Form Registrations.

(ii) Beginning 12 months following the IPO Closing, Iconiq will have the right to request up to two (2) Short-Form Registrations (which may not include a Marketed Underwritten Offering) provided (A) that Iconiq has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 120 days preceding the date of such request and (B) that Iconiq beneficially owns Registrable Securities equal to at least 3% of the Common Shares that are issued and outstanding at the time of such request.

(iii) In addition to (ii) above, beginning 24 months following the IPO Closing, each of Iconiq, Tucker and Spanicciati (collectively, the "Limited Demand Holders") will have the right to request up to five (5) Short-Form Registrations (which may not include a Marketed Underwritten Offering) provided (A) that the requesting Limited Demand Holder has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 60 days preceding the date of such request and (B) that the requesting Limited Demand Holder beneficially owns Registrable Securities equal to at least 5% of the Common Shares (or 3% in the case of Iconiq) that are issued and outstanding at the time of such request.

(iv) In addition to (ii) and (iii) above, beginning 12 months following the IPO Closing, Iconiq will have the right to request one (1) Short-Form Registration (which shall be a Marketed Underwritten Offering) provided (A) that Iconiq has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 270 days preceding the date of such request and (B) that Iconiq beneficially owns Registrable Securities equal to at least 3% of the Common Shares that are issued and outstanding at the time of such request.

(v) In addition to (ii), (iii) and (iv) above, beginning 24 months following the IPO Closing, the Limited Demand Holders will collectively have the right to request one (1) Short-Form Registration (which shall be a Marketed Underwritten Offering) provided (A) that the requesting Limited Demand Holder has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 270 days preceding the date of such request and (B) that the requesting Limited Demand Holder beneficially owns Registrable Securities equal to at least 5% of the Common Shares (or 3% in the case of Iconiq) that are issued and outstanding at the time of such request. At any time the Company is not qualified to use Form S-3, references in items (ii) through (v) above to a Short-Form Registration shall instead refer to a Long-Form Registration.

(c) Demand Withdrawal. A Demanding Holder and any other Holder that has requested its Registrable Securities be included in a Demand Registration pursuant to Section 2.01(e) may withdraw all or any portion of its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable Demand Registration Statement. The Company shall continue all efforts to secure effectiveness of the applicable Demand Registration Statement in respect of the Registrable Securities of any other Holder that has requested inclusion in the Demand Registration pursuant to Section 2.01(e) so long as at least one of the Demand Rights Holders has requested and not withdrawn all of its Registrable Securities to be included in such Demand Registration; provided, however, if all Demand Rights Holders have requested for their Registrable Securities to be withdrawn from such Demand Registration, the Company shall immediately cease all efforts to secure effectiveness of the applicable Demand Registration Statement, even if one or more non- Demand Rights Holders have requested for Registrable Securities to be included in such applicable Demand Request pursuant to Section 2.01(e).

(d) Effective Registration. The Company shall, with respect to each Demand Registration, use its reasonable best efforts to cause the Demand Registration Statement to remain effective for not less than one hundred eighty (180) consecutive days (or such shorter period as shall terminate when all Registrable Securities covered by such Demand Registration Statement have been sold or withdrawn), or if such Registration Statement relates to an Underwritten Offering, such longer period as, in the opinion of counsel for the underwriter or underwriters, a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer (the applicable period, the "Demand Period").

(e) Demand Notice. Promptly upon receipt of any Demand Request pursuant to Section 2.01(a) (but in no event more than three (3) Business Days thereafter), the Company shall deliver a written notice (a "Demand Notice") of any such Registration request to all other Holders, and the Company shall include in such Demand Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within five (5) Business Days after the date that the Demand Notice has been delivered. All requests made pursuant to this Section 2.01(e) shall specify the aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities.

(f) Delay in Filing; Suspension of Registration. If the filing, initial effectiveness or continued use of a Demand Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, the Demand Registration Statement (a "Demand Suspension"); provided, however, that the Company shall not be permitted to exercise a Demand Suspension or Shelf Suspension (as defined in Section 2.02(f)) (i) more than

once during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Demand Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Demand Suspension, and, subject to clause (ii) above of this paragraph, shall amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Demand Registration Statement, if required by the registration form used by the Company for the Demand Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Demanding Holder.

(g) Underwritten Offering. If a Demanding Holder so requests in connection with an offering with estimated gross proceeds of at least $10,000,000 (based on the most recent closing stock price at the time of the demand), subject to the limitations set forth in Section 2.01(b), an offering of Registrable Securities pursuant to a Demand Registration shall be in the form of an Underwritten Offering, and such Demanding Holder shall have the right to select the managing underwriter or underwriters to administer the offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company and the other participating Demand Rights Holders.

(h) Priority of Securities Registered Pursuant to Demand Registrations. If the managing underwriter or underwriters of a proposed Underwritten Offering of the Registrable Securities included in a Demand Registration (or, in the case of a Demand Registration not being underwritten, the Demand Rights Holders), advise the Board of Directors in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Demand Registration (i) first, shall be allocated pro rata among the Holders (including the Demanding Holder) that have requested to participate in such Demand Registration based on the relative number of Registrable Securities held by each such Holder immediately after giving effect to the consummation of the IPO (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (ii) next, and only if all the securities referred to in clause (i) have been included, the number of securities that the Company and any other holder that has a right to participate in such registration proposes to include in such Registration that, in the opinion of the managing underwriter or underwriters (or the Demand Rights Holders, as the case may be) can be sold without having such adverse effect.

(i) Distributions of Registrable Securities to Partners or Members. In the event any Holder requests to participate in a registration pursuant to this Section 2.01 in connection with a distribution of Registrable Securities to its partners or members, the registration shall provide for resale by such partners or members, if requested by the Holder.

Section 2.02 Shelf Registration.

(a) Filing. After the Effectiveness Date, within forty-five (45) days, in the case of a Shelf Registration Statement on Form S-1, or thirty (30) days, in the case of a Shelf Registration Statement on Form S-3, following a request as may be made from time to time by one or more Demand Rights Holders (subject to the limitations on Demand Requests set forth in Section 2.01(b), with each request under this Section 2.02, including any request to increase the number of shares included on a Shelf Registration Statement after the effectiveness of such Shelf Registration Statement, counting as a request for one Short-Form Registration under Section 2.01(b)), the Company shall file with the SEC a Shelf Registration Statement pursuant to Rule 415 of the Securities Act relating to the offer and sale by Holders from time to time of the number of Registrable Securities specified in the requests of the Demand Rights Holder(s) pursuant to this Section 2.02 and the other Holders pursuant to Section 2.02(c) in accordance with the methods of distribution elected by the participating Demand Rights Holder (s) and set forth in the Shelf Registration Statement and, as promptly as practicable thereafter, shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act. If a Demand Rights Holder makes a request pursuant to this Section 2.02(a) to file a Shelf Registration Statement, the Company shall promptly (and, in any event, within three (3) Business Days) notify the other Demand Rights Holders. No later than five (5) Business Days after the receipt of the foregoing notification regarding the filing of the Shelf Registration Statement pursuant to this Section 2.02(a), the other Demand Rights Holders shall notify the Company in writing of the number of its Registrable Securities (if any) that such Demand Rights Holders are requesting to be registered on such Shelf Registration Statement. At any time prior to or after the filing of a Shelf Registration Statement, any of the Demand Rights Holders may request that the number of its Registrable Securities (if any) previously requested to be registered on such Shelf Registration Statement be increased to a larger number of its Registrable Securities and the Company shall thereafter use its reasonable best efforts to effect such increase for such Shelf Registration Statement as promptly as practicable thereafter. The aggregate number of Registrable Securities that the Demand Rights Holders request to be so registered on such Shelf Registration Statement (as increased from time to time at the election of any of the Demand Rights Holders pursuant to the immediately foregoing sentence) shall be referred to in this Section 2.02 as the "Demand Rights Holders Shelf Registration Amount." If, on the date of any such request, the Company does not qualify to file a Shelf Registration Statement under the Securities Act, the provisions of this Section 2.02 shall not apply, and the provisions of Section 2.01 shall apply instead.

(b) Continued Effectiveness. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by Holders until the earlier of (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed under the Securities Act (but in no event prior to the applicable period referred to in

Section 4(3) of the Securities Act and Rule 174 thereunder) and (ii) the date as of which each of the Holders is permitted to sell its Registrable Securities without Registration pursuant to Rule 144 under the Securities Act without volume limitation or other restrictions on transfer thereunder (such period of effectiveness, the "Shelf Period"). Subject to Section 2.02(f), the Company shall not be deemed to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in Holders of Registrable Securities covered thereby not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement during the Shelf Period, unless such action or omission is required by applicable law.

(c) Shelf Notice. Promptly upon receipt of any request by a Demand Rights Holder to file a Shelf Registration Statement or any request by a Demand Rights Holder to increase the number of its Registrable Securities registered on such Shelf Registration Statement pursuant to Section 2.02(a) (but in no event more than eight (8) Business Days thereafter), the Company shall deliver a written notice (a "Shelf Notice") of any such request to all Other Demand Rights Holders specifying the Demand Rights Holder Shelf Registration Amount and the Pro Ration Percentage and the Company shall include in such Shelf Registration Statement the number of Registrable Securities with respect to which the Company has received written requests for inclusion therein within five (5) Business Days after the date that the Shelf Notice has been delivered; provided, that no non-Demand Rights Holder may request the inclusion in such Shelf Registration Statement a percentage of such Holder's Registrable Securities in excess of the Pro Ration Percentage. For purposes of this Section 2.02(c), the "Pro Ration Percentage" means, as of the date of determination with respect to any particular Shelf Registration, the percentage determined by multiplying (i) 100 by (ii) a fraction, the numerator of which is the Demand Rights Holder Shelf Registration Amount in effect as of such date with respect to such Shelf Registration and the denominator of which is the aggregate number of Registrable Securities beneficially owned by the Demand Rights Holders and their Affiliates immediately after giving effect to the consummation of the IPO. If a Demand Rights Holder transfers Registrable Securities pursuant to Section 3.06, the denominator referred to above will be decreased by such amount of Registrable Securities transferred.

(d) Underwritten Offering.

(i) If a Demand Rights Holder so elects in connection with an offering with estimated gross proceeds of at least $10,000,000 (based on the most recent closing stock price at the time of the demand), subject to the limitations set forth in Section 2.01(b), an offering of Registrable Securities pursuant to the Shelf Registration Statement shall be in the form of an Underwritten Offering, and the Company shall amend or supplement the Shelf Registration Statement for the purpose of such Underwritten Shelf Takedown, such Demand Rights Holder shall have the right to select the managing underwriter or underwriters to administer such offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company and the other participating Demand Rights Holders.

(ii) The provisions of Section 2.01(h) shall apply to any Underwritten Offering pursuant to this Section 2.02(d).

(e) Shelf Takedown.

(i) At any time during which the Company has an effective Shelf Registration Statement with respect to a Holder's Registrable Securities, by notice to the Company specifying the intended method or methods of disposition thereof, a Demand Rights Holder may make a written request (a "Shelf Takedown Request") to the Company to effect a Public Offering of all or a portion of such Demand Rights Holder's Registrable Securities that are covered by such Shelf Registration Statement and as soon as practicable the Company shall promptly amend or supplement the Shelf Registration Statement for such purpose. Each Demand Rights Holder shall be entitled to one Shelf Takedown Request for each Demand Registration such Holder may be entitled to pursuant to Section 2.01(b) and any additional Shelf Takedown Request shall count as an additional Demand Registration for purposes of Section 2.01(b).

(ii) Promptly upon receipt of a Shelf Takedown Request (but in no event later than (A) 5:00 p.m. New York City time one (1) Business Day thereafter for any Block Trade and (B) two (2) Business Days thereafter for any other proposed Shelf Takedown) for any Shelf Takedown, the Company shall deliver a notice (a "Shelf Takedown Notice") to each other Holder with Registrable Securities covered by the applicable Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a "Potential Takedown Participant"). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Shelf Takedown that number of Registrable Securities as each such Potential Takedown Participant may request in writing. The Company shall include in the Shelf Takedown all such Registrable Securities with respect to which the Company has received written requests for inclusion therein (A) by 10:00 p.m. New York City time on the date that the Shelf Takedown Notice has been delivered, in the case of any Block Trade, and (B) within two (2) Business Days after the date that the Shelf Takedown Notice has been delivered, in the case of any other proposed Shelf Takedown. Any Potential Takedown Participant's request to participate in a Shelf Takedown shall be binding on the Potential Takedown Participant; provided that each such Potential Takedown Participant that elects to participate may condition its participation on the Underwritten Shelf Takedown being completed within ten (10) Business Days of its acceptance at a price per share (after giving effect to any underwriters' discounts or commissions) to such Potential Takedown Participant of not less than ninety-two percent (92%) of the closing price for the shares on their principal trading market on the Business Day immediately prior to such Potential Takedown Participant's election to participate (the "Participation Conditions"). Notwithstanding the delivery of any Shelf Takedown Notice, but subject to the Participation Conditions (to the extent applicable), all determinations as to whether to complete any Shelf Takedown and as to the timing, manner, price and other terms of any Shelf Takedown contemplated by

this Section 2.02(e)(ii) shall be determined by the Demand Rights Holder making the Shelf Takedown Request, and the Company shall use its reasonable best efforts to cause any Shelf Takedown to occur as promptly as practicable; provided that if such Shelf Takedown is to be completed and subject to the Participation Conditions (to the extent applicable), each Potential Takedown Participant's Pro Rata Portion shall be included in such Shelf Takedown if such Potential Takedown Participant has complied with the requirements set forth in this Section 2.02(e)(ii).

(f) Suspension of Registration. If the continued use of such Shelf Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, suspend use of the Shelf Registration Statement (a "Shelf Suspension"); provided that the Company shall not be permitted to exercise a Shelf Suspension or Demand Suspension (i) more than one time during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Shelf Suspension and shall, subject to clause (ii) above in this paragraph, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Company for the Shelf Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Demand Rights Holders.

Section 2.03 Piggyback Registration.

(a) Participation. If the Company at any time proposes to file a Registration Statement under the Securities Act with respect to any offering of its equity securities for its own account or for the account of any other Persons (other than (i) a Registration under Section 2.01 or 2.02, (ii) a Registration on Form S-4 or S-8 or any successor form to such Forms (iii) a Registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement, (iv) pursuant to a registration by which the Company is offering to exchange its own securities for other securities, (v) pursuant to a registration statement relating solely to a dividend reinvestment or similar plan, or (vi) pursuant to a registration statement by which only the initial purchasers and subsequent transferees of debt securities of the Company or any of its subsidiaries that are convertible or exchangeable for Common Stock and that are initially issued pursuant to an applicable exemption from the registration requirements of the Securities Act may resell such notes and sell the Common Stock into which such notes may be converted or exchanged) (a "Company Public Sale"), then, as soon as reasonably practicable, the Company shall give written notice of such proposed filing to the Holders, and such notice

shall offer the Holders the opportunity to Register under such Registration Statement such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"). Subject to Section 2.03(b), the Company shall include in such Registration Statement all such Registrable Securities that are requested to be included therein within five (5) days after the receipt by such Holders of any such notice; provided that if at any time after giving written notice of its intention to Register any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, the Company shall determine for any reason not to Register or to delay Registration of such securities, the Company shall give written notice of such determination to each Holder and, thereupon, (i) in the case of a determination not to Register, shall be relieved of its obligation to Register any Registrable Securities in connection with such Registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Demand Rights Holders to request that such Registration be effected as a Demand Registration under Section 2.01, and (ii) in the case of a determination to delay Registering, in the absence of a request for a Demand Registration, shall be permitted to delay Registering any Registrable Securities, for the same period as the delay in Registering such other securities. If the offering pursuant to such Registration Statement is to be underwritten, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements with the managing underwriter or underwriters so that each such Holder may, participate in such Underwritten Offering. If the offering pursuant to such Registration Statement is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements so that each such Holder may, participate in such offering on such basis. Each Holder shall be permitted to withdraw all or part of its Registrable Securities from a Piggyback Registration at any time prior to the effectiveness of such Registration Statement.

(b) Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed Underwritten Offering of Registrable Securities included in a Piggyback Registration informs the Company and the Holders of Registrable Securities in writing that, in its or their opinion, the number of securities which such Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, 100% of the securities proposed to be sold in such Registration by the Company or (subject to Section 2.07) any Person (other than a Holder) exercising a contractual right to demand Registration, as the case may be, proposes to sell, and (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated pro rata among the Holders that have requested to participate in such Registration based on the relative number of Registrable Securities held by each such Holder immediately after giving effect to the consummation of the IPO (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (iii) third, and only if all of the Registrable Securities referred to in clause (ii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

(c) No Effect on Demand Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 2.03 shall be deemed to have been effected pursuant to Sections 2.01 and 2.02 or shall relieve the Company of its obligations under Sections 2.01 and 2.02.

Section 2.04 Black-out Periods.

(a) Black-out Periods for Holders. In the event of a Company Public Sale of the Company's equity securities in an Underwritten Offering, the Holders agree, if requested by the managing underwriter or underwriters in such Underwritten Offering, not to effect any public sale or distribution of any securities (except, in each case, as part of the applicable Registration, if permitted) that are the same as or similar to those being Registered in connection with such Company Public Sale, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before and ninety (90) days (or such lesser period as may be permitted by the Company or such managing underwriter or underwriters) after, the effective date of the Registration Statement filed in connection with such Registration, to the extent timely notified in writing by the Company or the managing underwriter or underwriters; provided, however, such restrictions shall not apply to (i) securities acquired in the public market subsequent to the IPO, (ii) distributions-in-kind to a Holder's partners (including direct and indirect limited partners) or members and (iii) transfers to Affiliates but only if such Affiliates agree to be bound by the restrictions herein; and provided further, that if the managing underwriter or underwriters in such Underwritten Offering release a Holder from their agreement not to dispose of any of its securities prior to its expiration, as to a certain percentage of their shares of Common Stock subject to such agreement (the "Released Percentage"), all other Holders that beneficially own greater than 1% of the issued and outstanding Common Stock of the Company will automatically be released from the restrictions in this section as to the Released Percentage of their Common Stock.

(b) Black-out Period for the Company and Others. In the case of a Registration of Registrable Securities pursuant to Sections 2.01 and 2.02 for an Underwritten Offering, the Company and the Holders agree, if requested by the participating Demand Rights Holders or the managing underwriter or underwriters with respect to such Registration, (i) not to effect any public sale or distribution of any securities that are the same as or similar to those being Registered, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before, and ending ninety (90) days (or such lesser period as may be permitted by the participating Demand Rights Holders or such managing underwriter or underwriters and subject to any exceptions as may be set forth in an underwriting agreement or lock-up agreement entered into by the Company or the Holders, as applicable) after, the effective date of the Registration Statement filed in connection with such Registration (or, in the case of an offering under a Shelf Registration Statement, the date of the closing under the underwriting agreement in connection therewith), to the extent timely notified in writing by the Demand Rights

Holders or the managing underwriter or underwriters and (ii) with respect to the Holders, to enter into customary lock-up agreements with the managing underwriter or underwriters with respect to such Registration in such form as agreed to by the holders of a majority of the Registrable Securities participating in such Underwritten Offering. Notwithstanding the foregoing, the Company may effect a public sale or distribution of securities of the type described above and during the periods described above if such sale or distribution is made as part of any Registration of securities for offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement, any dividend reinvestment plan, or a business acquisition or combination. The Company agrees to use its reasonable best efforts to obtain from (i) each holder of restricted securities of the Company which securities are the same as or similar to the Registrable Securities being Registered, or any restricted securities convertible into or exchangeable or exercisable for any of such securities, and (ii) all directors and officers of the Company, an agreement not to effect any public sale or distribution of such securities during any such period referred to in this paragraph, except as part of any such Registration, if permitted. Without limiting the foregoing (but subject to Section 2.07), if after the date hereof the Company grants any Person (other than a Holder) any rights to demand or participate in a Registration, the Company agrees that the agreement with respect thereto shall include such Person's agreement to comply with any black-out period required by this Section as if it were a Holder hereunder.

Section 2.05 Registration Procedures.

(a) In connection with the Company's Registration obligations under Sections 2.01, 2.02 and 2.03, the Company shall use its reasonable best efforts to effect such Registration and to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable (it being understood that, in the case of a Block Trade, the Company shall use reasonable best efforts to facilitate and effect such Block Trade within one (1) Business Day of receiving the Shelf Takedown Request, provided that the requesting Demand Rights Holder shall use reasonable best efforts to give the Company advance notice of its consideration of executing a Block Trade), and in connection therewith the Company shall:

(i) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and before filing a Registration Statement or Prospectus, or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to Participating Holders, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and such Holders and their respective counsel and (y) except in the case of a Registration under Section 2.03, not file any Registration Statement or Prospectus or amendments or supplements thereto to which the Demand Rights Holders or the underwriters, if any, shall reasonably object;

(ii) as soon as reasonably practicable (in the case of a Demand Registration or Shelf Registration, no later than thirty (30) days after a request for a Demand Registration or Shelf Registration on Form S-3 or forty-five (45) days after a request for a Demand Registration or Shelf Registration on Form S-1) file with the SEC a Registration Statement relating to the Registrable Securities including all exhibits and financial statements required by the SEC to be filed therewith, and use its reasonable best efforts to cause such Registration Statement to become effective under the Securities Act as promptly as practicable;

(iii) prepare and file with the SEC such pre- and post-effective amendments to such Registration Statement and supplements to the Prospectus as may be (x) reasonably requested by a Demand Rights Holder participating in the applicable offering (to the extent such request relates to information relating to such Holder), (y) reasonably requested by any other Participating Holder (to the extent such request relates to information relating to such Holder), or (z) necessary to keep such Registration effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(iv) notify the Participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such notice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or any amendment or supplement to such Prospectus has been filed, (b) of any written comments by the SEC or any request by the SEC or any other federal or state governmental authority for amendments or supplements to such Registration Statement or such Prospectus or for additional information, (c) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation or threatening of any proceedings for such purposes, (d) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects, and (e) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(v) promptly notify the Participating Holders and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus and any preliminary Prospectus, in light of the circumstances under which they were

made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act and, in either case as promptly as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the Participating Holders and the managing underwriter or underwriters, if any, an amendment or supplement to such Registration Statement or Prospectus which shall correct such misstatement or omission or effect such compliance;

(vi) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any Shelf Registration Statement, the Company shall include in such Shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such Shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment;

(vii) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order suspending the use of any preliminary or final Prospectus;

(viii) promptly incorporate in a Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment such information as the managing underwriter or underwriters and the Demand Rights Holders agree should be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment;

(ix) furnish to each Participating Holder and each underwriter, if any, without charge, as many conformed copies as such Holder or underwriter may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment or supplement thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(x) deliver to each Participating Holder and each underwriter, if any, without charge, as many copies of the applicable Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Holder or underwriter may reasonably request (it being understood that the Company consents to the use of such Prospectus or any amendment or supplement thereto by such Holder and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto) and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder or underwriter;

(xi) on or prior to the date on which the applicable Registration Statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the Participating Holders, the managing underwriter or underwriters, if any, and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of each state and other jurisdiction of the United States as any Participating Holder or managing underwriter or underwriters, if any, or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by Section 2.01(d) or Section 2.02(b), whichever is applicable, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(xii) cooperate with the Participating Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates or book entry entitlements (if reasonably requested) representing Registrable Securities to be sold and, to the extent permitted by applicable law, not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters;

(xiii) use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Securities;

(xiv) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and provide the applicable transfer agent with printed certificates, book entry entitlements or other evidence for the Registrable Securities in a form eligible for deposit with The Depository Trust Company;

(xv) make such representations and warranties to the Participating Holders and the underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in secondary underwritten public offerings;

(xvi) enter into such customary agreements (including underwriting and indemnification agreements) as the Demand Rights Holders or the managing underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the registration and disposition of such Registrable Securities;

(xvii) obtain for delivery to the Participating Holders and to the underwriter or underwriters, if any, an opinion or opinions from counsel for the Company dated the effective date of the Registration Statement or, in the event of an Underwritten Offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Holders or underwriters, as the case may be, and their respective counsel;

(xviii) in the case of an Underwritten Offering, (a) obtain for delivery to the Company and the managing underwriter or underwriters, with copies to the Participating Holders, a cold comfort letter from the Company's independent certified public accountants or independent auditors (and, if necessary, any other independent certified public accountants or independent auditors of any subsidiary of the Company or any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) in customary form and covering such matters of the type customarily covered by cold comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement and (b) obtain the required consents from the Company's independent certified public accountants and, if applicable, independent auditors to include the accountants' or auditors' report, as applicable, relating to the specified financial statements in the Registration Statement and to be named as an expert in the Registration Statement;

(xix) cooperate with each Participating Holder and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xx) use its reasonable best efforts to comply with all applicable securities laws and make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(xxi) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(xxii) use its best efforts to cause all Registrable Securities covered by the applicable Registration Statement to be listed on any national securities exchange on which similar securities of the Company are then listed or quoted and on each inter-dealer quotation system on which similar securities of the Company then quoted;

(xxiii) make available upon reasonable notice at reasonable times and for reasonable periods for inspection by the Demand Rights Holders, by any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by the Demand Rights Holders or any such underwriter (collectively, "Representatives"), all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration Statement (collectively, "Confidential Information") as shall be necessary to enable them to exercise their due diligence responsibility; provided that any such Person gaining access to Confidential Information pursuant to this Section 2.05(a)(xxii) shall agree to hold in strict confidence and shall not make any disclosure or use any Confidential Information, unless (w) the release of such information is requested or required by deposition, interrogatory, requests for information or documents by a governmental entity, subpoena or similar process), or disclosure of such information, in the opinion of counsel to such Person, is otherwise required by law (provided that such Person shall give prompt and timely written notice prior to such release or disclosure, to the extent permitted by law, and shall reasonably cooperate with the Company should the Company, at the Company's sole expense, desire to seek a protective order prior to release or disclosure), (x) such information is or becomes publicly known other than through a breach of this or any other agreement of which such Person has knowledge, (y) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company or (z) such information is independently developed by such Person without the use of or access to any Confidential Information, and each Person shall be responsible for any breach of the terms of this Section 2.05(a)(xxiii) by such Person or its Representatives, and shall take all appropriate steps to safeguard Confidential Information from disclosure, misuse, espionage, loss and theft;

(xxiv) in the case of a Marketed Underwritten Offering, use reasonable best efforts to cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such Underwritten Offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(xxv) take no direct or indirect action prohibited by Regulation M under the Exchange Act; and

(xxvi) take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any Registration complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related Prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. subject to all other provisions of this Agreement, take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms of this Agreement.

(b) The Company may require each Participating Holder to furnish, in writing if requested, to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing. Each Participating Holder agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.

(c) Each Participating Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.05(a)(v), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(v), or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(v) or is advised in writing by the Company that the use of the Prospectus may be resumed.

Section 2.06 Underwritten Offerings.

(a) Demand and Shelf Registrations. If requested by the underwriters for any Underwritten Offering requested by the Demand Rights Holders pursuant to a Registration under Section 2.01 or Section 2.02, the Company shall enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the Company, the Demand Rights Holders and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type, including indemnities no less favorable to the recipient thereof than those provided in

Section 2.09. The Participating Holders shall cooperate with the Company in the negotiation of such underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof. Such Holders shall be parties to such underwriting agreement, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holders, such Holder's title to the Registrable Securities, such Holder's intended method of distribution and any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(b) Piggyback Registrations. If the Company proposes to register any of its securities under the Securities Act as contemplated by Section 2.03 and such securities are to be distributed in an Underwritten Offering through one or more underwriters, the Company shall, if requested by any Holder pursuant to Section 2.03 and subject to the provisions of Section 2.03(b), use its reasonable best efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration all the Registrable Securities to be offered and sold by such Holder among the securities of the Company to be distributed by such underwriters in such Registration. The Participating Holders shall be parties to the underwriting agreement between the Company and such underwriters, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Any such Holder shall not be required to make any representations or warranties to, or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and the information provided by such Holder that is included in the Registration Statement, such Holder's title to the Registrable Securities and such Holder's intended method of distribution or any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(c) Participation in Underwritten Registrations. Subject to the provisions of Sections 2.06(a) and (b) above, no Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

(d) Price and Underwriting Discounts. In the case of an Underwritten Offering under Sections 2.01 or 2.02, the price, underwriting discount and other financial terms for the Registrable Securities shall be determined by the Demanding Holder(s) (or, in the case of a Shelf Registration, the Demand Rights Holder(s) selling Registrable Securities under the Shelf Registration Statement). In addition, in the case of any Underwritten Offering, each of the Holders may withdraw their request to participate in the registration pursuant to Sections 2.01, 2.02 or 2.03 after being advised of such price, discount and other terms and shall not be required to enter into any agreements or documentation that would require otherwise.

Section 2.07 No Inconsistent Agreements; Additional Rights. The Company shall not hereafter enter into, and is not currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement. Without the consent of the Demand Rights Holders holding a majority of the Registrable Securities held by all Demand Rights Holders then outstanding, the Company shall not enter into any other agreement granting to any Person registration or similar rights the terms of which are senior to or *pari passu* with the registration rights granted to the Holders hereunder.

Section 2.08 Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws, (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all applicable rating agency fees with respect to the Registrable Securities, (viii) all reasonable fees and disbursements of legal counsel for each Demand Rights Holder participating in such Registration (or, in the case of a Shelf Registration, each Demand Rights Holder selling Registrable Securities under the Shelf Registration Statement), (ix) all fees and expenses of accountants selected by the Demanding Holder (or, in the case of a Shelf Registration, the Holder selling Registrable Securities under the Shelf Registration Statement), (x) any reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (xi) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration, (xii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) and (xiii) all expenses related to the "road show" for any underwritten offering, including all travel, meals and lodging. All such expenses are referred to herein as "Registration Expenses." The Company shall not be required to pay underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities.

Section 2.09 Indemnification.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the full extent permitted by law, each Holder, each member, limited or general partner thereof, each member, limited or general partner of each such member, limited or general partner, each of their respective Affiliates, officers, directors, shareholders, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons and each of their respective Representatives from and against any and all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "Loss" and collectively "Losses") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or any other disclosure document incident to such registration, produced by or on behalf of the Company or any of its subsidiaries including, without limitation, reports and other documents filed under the Exchange Act, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading or (iii) any actions or inactions or proceedings in respect of the foregoing whether or not such indemnified party is a party thereto; provided, that the Company shall not be liable to any particular indemnified party (A) to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any such Registration Statement or other document in reliance upon and in conformity with written information furnished to the Company by such indemnified party expressly for use in the preparation thereof or (B) to the extent that any such Loss arises out of or is based upon an untrue statement or omission in a preliminary Prospectus relating to Registrable Securities, if a Prospectus (as then amended or supplemented) that would have cured the defect was furnished to the indemnified party from whom the Person asserting the claim giving rise to such Loss purchased Registrable Securities at least five (5) days prior to the written confirmation of the sale of the Registrable Securities to such Person and a copy of such Prospectus (as amended and supplemented) was not sent or given by or on behalf of such indemnified party to such Person at or prior to the written confirmation of the sale of the Registrable Securities to such Person. This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the transfer of such securities by such Holder. The Company shall also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the indemnified parties.

(b) Indemnification by the Participating Holders. Each Participating Holder agrees (severally and not jointly) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers, employees, advisors, and agents and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) and each of their respective Representatives from and against any Losses resulting from (i) any untrue statement of a material fact in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading, in each case, to the extent, but only to the extent, that such untrue statement or omission is contained in any information furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement and has not been corrected in a subsequent writing provided by the Holder to the Company at least two (2) business days prior to the sale of the Registrable Securities to the Person asserting the claim. In no event shall the liability of such Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such indemnification obligation. The Company shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above (with appropriate modification) with respect to information furnished in writing by such Persons specifically for inclusion in any Prospectus or Registration Statement.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is actually and materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to participate in and assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in or assume the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed in writing to pay such fees or expenses, (B) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (C) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that conflict with or are in addition to those available to the indemnifying party, or (D) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict

of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party. No indemnifying party shall consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation without the prior written consent of such indemnified party. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent, but such consent may not be unreasonably withheld. It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 2.09(c), in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on the advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) a conflict or potential conflict exists or may exist (based upon advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(d) Contribution. If for any reason the indemnification provided for in paragraphs (a) and (b) of this Section 2.09 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such losses, as well as any other relevant equitable considerations. In connection with any Registration Statement filed with the SEC by the Company, the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 2.09(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.09(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party as a result of the

Losses referred to in Sections 2.09(a) and 2.09(b) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.09(d), in connection with any Registration Statement filed by the Company, a Participating Holder shall not be required to contribute any amount in excess of the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such contribution obligation less any amounts paid by such Holder pursuant to Section 2.09(b). If indemnification is available under this Section 2.09, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 2.09(a) and 2.09(b) hereof without regard to the provisions of this Section 2.09(d). The remedies provided for in this Section 2.09 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

Section 2.10 Rules 144 and 144A and Regulation S. The Company covenants that it will:

a) use its reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the Demand Rights Holders, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rules 144, 144A or Regulation S under the Securities Act);

b) it will take such further action as the Demand Rights Holders may reasonably request, all to the extent required from time to time to enable the Demand Rights Holders to sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC; and

c) for so long as a Holder holds Registrable Securities, upon the reasonable request of a Holder, the Company will deliver to such Holder a written statement as to its compliance with the reporting requirements of Rule 144, and of the Securities Act and the Exchange Act.

ARTICLE III
MISCELLANEOUS

Section 3.01 Term. With respect to each Holder, the registration rights set forth in this Agreement will terminate at such time as such Holder no longer holds any Registrable Securities and this Agreement shall terminate upon the later of the expiration of the Shelf Period and such time as there are no Registrable Securities, except, in all cases, for the provisions of Sections 2.09 and 2.10 and all of this Article III, which shall survive any such termination.

Section 3.02 Injunctive Relief. It is hereby agreed and acknowledged that it will be impossible to measure in money the damage that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such Person shall, therefore, be entitled (in addition to any other remedy to which it may be entitled in law or in equity) to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 3.03 Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement or where any provision hereof is validly asserted as a defense, the successful party shall, to the extent permitted by applicable law, be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

Section 3.04 Notices. Unless otherwise specified herein, all notices and other communications authorized or required to be given pursuant to this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by personal hand-delivery, by facsimile transmission, by electronic mail, by mailing the same in a sealed envelope, registered first-class mail, postage prepaid, return receipt requested, or by air courier guaranteeing overnight delivery, sent to the Person at the address given for such Person below or such other address as such Person may specify by notice to the Company:

If to the Company:

Blackline, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
Attention: Karole Morgan-Prager
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94304
Attention: Katharine A. Martin
Telephone: ###
Fax: ###

if to Silver Lake, to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Hollie Moore Haynes
Jason Babcoke
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Kirkland & Ellis, LLP
3330 Hillview Avenue
Palo Alto, California 94304
Attention: Adam D. Phillips
Telephone: ###
Fax: ###

If to Iconiq, to:

Iconiq Strategic Partners, L.P.
394 Pacific, 2nd Floor
San Francisco, CA 94111
Attention: Kevin Foster
Telephone: ###

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Attention: Ilan Nissan and Jane Greyf
Telephone: ### and ###
Fax: ### and ###

If to Tucker or Spanicciati, to the address on file with the Company.

If to an Other Stockholder, to the address set forth in the Schedule of Other Stockholders.

If to any other Holder who becomes party to this agreement after the date hereof, to the address on the counterpart signature page to this Agreement executed by such holder.

Section 3.05 Amendment. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by the Demand Rights Holders; provided that (a) any amendment that would have a material adverse effect on a Holder relative to the Demand Rights Holders shall require the written consent of that Holder and (b) this Section 3.05 may not be amended without the prior written consent of the Holders (other than the Demand Rights Holders) holding a majority of the outstanding Registrable Securities of such Holders.

Section 3.06 Successors, Assigns and Transferees. Each party may assign all or a portion of its rights hereunder to any Person to which such party transfers its ownership of all or any of its Registrable Securities. Such Persons (other than Affiliates of any such Persons) and any other Person that acquires Registrable Securities pursuant to the terms of the Blackline Stockholders' Agreement, shall execute a counterpart to this Agreement and become a party hereto and such Person's Registrable Securities shall be subject to the terms of this Agreement.

Section 3.07 Binding Effect. Except as otherwise provided in this Agreement, the terms and provisions of this Agreement shall be binding on and inure to the benefit of each of the parties hereto and their respective successors.

Section 3.08 Third Parties. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any Person not a party hereto (other than each other Person entitled to indemnity or contribution under Section 2.09) any right, remedy or claim under or by virtue of this Agreement.

Section 3.09 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE COURTS OF THE STATE OF DELAWARE OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR) THE U.S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

Section 3.10 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.10.

Section 3.11 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 3.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

Section 3.13 Headings. The heading references herein and in the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 3.14 Exercise of Rights. As among the members of any Sponsor, such Sponsor may allocate the ability to exercise any rights under this Agreement in any manner that such Sponsor sees fit.

[SIGNATURE PAGES TO FOLLOW]

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

BLACKLINE, INC.

By: _____

Name:

Title:

SILVER LAKE SUMERU FUND, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.
Its: General Partner

By: SLTA Sumeru (GP), L.L.C.
Its: General Partner

By: Silver Lake Group, L.L.C.
Its: Sole Member

By: _____
Name:
Its:

SILVER LAKE TECHNOLOGY INVESTORS SUMERU, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.
Its: General Partner

By: SLTA Sumeru (GP), L.L.C.
Its: General Partner

By: Silver Lake Group, L.L.C.
Its: Sole Member

By: _____
Name:
Its:

ICONIQ STRATEGIC PARTNERS, L.P.

By: Iconiq Strategic Partners GP, L.P.

By: Iconiq Strategic Partners TT GP, Ltd.

By: _____
Name:
Its:

THERESE TUCKER

By: _____

MARIO SPANICCIATI

By: _____

ISAAC TUCKER 2012 IRREVOCABLE TRUST

Name: Therese Tucker
Title: Trustee

ROSEANNA TUCKER 2012 IRREVOCABLE TRUST

Name: Therese Tucker
Title: Trustee

SAFETY NET GRAT

Name: Therese Tucker
Title: Trustee

CS 2015 GRAT

Name: Therese Tucker
Title: Trustee

TUCKER LEGACY TRUST

Name: Karen Seimetz
Title: Trustee

SPANICCIATI FAMILY 2013 DYNASTY TRUST

Name: Michael Tranter
Title: Trustee of the Spanicciati Family 2013 Dynasty Trust, and not individually or in any other capacity

SPANICCIATI FAMILY 2013 IRREVOCABLE TRUST

Name: Michael Tranter
Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

Name: Diana Laurenti
Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

SCHEDULE OF OTHER STOCKHOLDERS

Name	Address
Tucker Trusts	
Roseanne Tucker 2012 Irrevocable Trust	
Isaac Tucker 2012 Irrevocable Trust	
Tucker Legacy Trust,	
Safety Net GRAT CS 2015 GRAT	
Spanicciati Trusts	
Diana Laurenti and Michael Tranter, Trustees of the Spanicciati Family Trust 2013 Irrevocable Trust dated 4/30/2013	
Michael Tranter, Trustee of the Spanicciati Family 2013 Dynasty Trust	

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

This Software Development Cooperation Agreement is made by and between **SAP AG, Dietmar-Hopp-Allee 16, D-69190 Walldorf, Germany**, hereinafter referred to as "**SAP**", and **BlackLine Systems, Inc., 21300 Victory Blvd, 12th Floor, Woodland Hills, CA 91367, USA**, hereinafter referred to as "**Company**"—together referenced hereunder as "Party" or "Parties".

Whereas, SAP has developed and markets worldwide the "SAP Business Solutions", including but not limited to integrated financial, human resources, sales and services, data-warehousing, business intelligence, logistics and manufacturing application software, all based on open integration and a common application platform, and

Whereas, Company has developed and markets worldwide its proprietary software products, and

Whereas, SAP is interested in supporting the Company's efforts to develop an integration solution which connects Company's software with the SAP Business Solutions as described under this Agreement, and

Whereas, the Parties are interested in jointly promoting Company's software in conjunction with the SAP solutions as described in this Agreement.

Now Therefore, the Parties hereto agree as follows:

1. **Definitions**

1.1 "**Agreement**" shall mean this Software Development Cooperation Agreement and all appendices, annexes or exhibits thereto.

1.2 "**Company Solution**" shall mean Company's proprietary software-as-a-service, on-demand solution and/or any on-premise version, or any component thereof, including all software, systems and, technology included in such solution, as further described in Appendix 1, which may include modifications made in accordance with the Conceptual Design, and which is capable of exchanging financial information with SAP Software including any successor version thereof.

1.3 "**Conceptual Design**" shall mean the description of the functional specifications of the SAP Interface or any other architecture, guideline or specification developed by or with SAP concerning or related to the integration of the Company Solution with the SAP Software.

1.4 "**Documentation**" shall include all functional specific materials, whether in human readable or machine readable format, and any copies of the foregoing, in any medium, related to a Party's software and delivered to the other Party in connection with this Agreement, including but not limited to, interface documentation, manuals, program listings, data models, flow charts, logic diagrams, input and output forms, specifications, and instructions.

1.5 "**Effective Date**" shall be October 1, 2013.

1.6 "**Intellectual Property Rights**" means unpatented inventions, patents of any type, design rights, utility models or other similar invention rights, copyrights, mask work rights, trade secret or confidentiality rights, and any other intangible property rights (except rights in trademarks, trade names and service marks) including applications and registrations for any of the foregoing, in any country, arising under statutory or common law or by contract and whether or not perfected, now existing or hereafter filed, issued, or acquired as well as renewals thereto as well as other forms of protection of a similar nature anywhere in the world.

1.7 "**Newly Developed Materials**" shall mean any software, systems, tools, data, specifications, documentation or other material developed by SAP and/or Company in connection with the integration of the Company Solution with the SAP Software within the context of this Agreement (including any results associated with this Agreement, as well as any interim results, specifications, software, picture and text materials, and inventions connected therewith).

1.8 "**Promotional Materials**" means any and all (i) marketing, advertising and other promotional materials, referencing the other Party, the other Party's products, services and/or its trade names, trademarks, or service marks; and (ii) press releases related to the Company Solution and the SAP Software.

1.9 "**SAP Interface**" is an application interface developed by or with SAP that resides on or in the SAP Software and which, when activated, will allow information to be exchanged between SAP Software and the Company Solution.

1.10 "**SAP Software**" shall mean SAP's proprietary software solution and any successor version thereof, as further described in Appendix 1.

2. Subject Matter of the Agreement

2.1 The Parties agree to cooperate in developing the integration scenario as described under Appendix 1. The Company Solution shall comply with the SAP solution production standards as outlined in Appendix 1.

2.2 SAP will provide Company with the Conceptual Design to enable Company to integrate (or otherwise facilitate interoperability between) the Company Solution and the SAP Software.

2.3 This Agreement is not exclusive. SAP or Company may enter into similar agreements with third parties. This Agreement does not convey any official partner program status to Company or provide Company any rights to services within the SAP partner programs.

2.4 Except as stated otherwise in this Agreement or mutually agreed to by both Parties in writing, each Party shall bear its own internal costs, fees and expenses in connection with the obligations described in this Agreement.

2.5 All project-related details, the duties of Company and SAP, the expected dates for coordination meetings and transfer of deliverables and results, and any other arrangements regarding the accomplishment of the project are set forth in the Project Plan attached hereto in Appendix 2 ("Project Plan"). The Project Plan may only be modified by written approval of both project managers appointed according to Section 3 below.

3. **Accomplishment of the Project**

3.1 Each Party shall appoint, in writing, a project manager to act as its point of contact for the other Party. Each Party shall be entitled to replace such appointed project manager as well as any other member of the project team in its sole discretion. The respective Party shall inform the other Party accordingly in writing (e-mail or fax communication is sufficient provided that the other Party acknowledges receipt). SAP may deploy freelance workers and other contractors to perform its duties under this Agreement provided they are subject to confidentiality obligations.

3.2 Coordination meetings shall take place on the dates set forth in the Project Plan or as otherwise mutually agreed by the Parties. Each Party's project manager will participate in coordination meetings, as well as any other personnel of SAP and Company whose attendance would reasonably further the project. For each coordination meeting, the Parties will jointly produce a progress report, which shall include, but not be limited to, the following:

- an evaluation of the project progress in comparison with the timetable set forth in the Project Plan;
- expected delays;
- measures to be taken in order to limit expected delays;
- discussion of open issues;
- relevant details regarding project organization and planning.

3.3 The SAP Interface is designed as a proprietary but open interface. SAP may at any time and at its sole discretion provide the SAP Interface to other companies and may include the SAP Interface in SAP's interface certification process. If the Company desires modifications of the SAP Interface or the Conceptual Design, SAP will review such request and inform Company within an adequate period of time whether the requested modification can be implemented.

4. **Company Obligation**

4.1 Company shall provide SAP with all necessary information on the logical, process and data structures of the Company Solution required for the SAP Software to exchange information with the Company Solution.

4.2 Company will actively sell the Company Solution in the global marketplace as a generally available service. If Company intends to stop offering the Company Solution to customers, Company will immediately notify SAP and SAP may then terminate this Agreement with thirty (30) days written notice to Company.

4.3 Company will provide SAP with at least six (6) months advance notice of any changes to the Company Solution and/or other corresponding systems(s) that might impact the integration with the SAP Software or the ability of SAP to perform its obligations under this Agreement.

4.4 Provided that SAP provides reasonable prior notice under Section 5.3, Company will ensure that SAP customers are able to continue to use the Company Solution with the SAP Software after each modification or update to the Company Solution. In addition, Company will ensure that Company Solution continues to meet the product standards and criteria as outlined under Appendix I after any modification or update to the Company Solution.

4.5 Provided that SAP provides reasonable prior notice under Section 5.3, for the Term of this Agreement, Company will ensure and maintain the compatibility of the Company Solution, including the current and all future versions and/or extensions thereof, with the SAP Software and the SAP Interface.

4.6 Company will ensure that any Newly Developed Materials created by Company do not:

4.6.1 unreasonably impair, degrade or reduce the performance or security of the SAP Software;

4.6.2 enable the bypassing or circumventing of SAP's license restrictions and/or provide users with access to the SAP Software to which such users are not licensed;

4.6.3 render or provide, without prior written consent from SAP , any information concerning SAP software license terms, SAP Software, or any other information related to SAP products. Company shall refer any customer requiring such information to SAP; or

4.6.4 except as otherwise expressly provided, including as indicated in Appendix I, herein, permit mass data extraction from an SAP software to a non-SAP software, including use, modification, saving or other processing of such data in the non-SAP Software.

4.7 During the Term, Company grants SAP the rights to have access to the Company Solution for the purpose of facilitating the demonstration of the Company Solution by its customers or potential customers, as set forth in Appendix 7.

4.8 Once Company has completed the acceptance testing and certification process outlined in Appendix 1, and provided the Company Solution conforms on an ongoing basis with the requirements set forth in the Agreement, Company will be entitled to communicate the status of the Company Solution as an endorsed business solution, and any such communication shall comply with SAP's then current guidelines regarding communications concerning Company Solution as an endorsed business solution. The guidelines as of the Effective Date are found in Appendix 9.

5. **SAP Obligation**

5.1 SAP will provide Company with online Documentation covering the configuration of SAP Interface and/or the Conceptual Design.

5.2 When distributing software updates of the SAP Software to SAP customers, SAP will make commercially reasonable efforts to enable SAP customers who upgrade their SAP Software to continue to use the Company Solution after each upgrade.

5.3 SAP shall notify Company of a release change to the SAP Interface and/or the Documentation within a reasonable period of time prior to the applicable generally available release.

6. **Joint Obligations of Company and SAP**

6.1 Company and SAP will test the integration between the Company Solution and the SAP Software as outlined in the Project Plan and both Parties will report the respective results to each other. Each Party agrees to cooperate reasonably with each other under this Agreement to fulfill properly its obligations under the Project Plan.

6.2 Neither Party shall use the other Party's logos nor marks without such other Party's prior written approval. Any such use is subject to the terms of the owning Party's trademark license terms and trademark usage guidelines.

6.3 Any use of a Party's Promotional Materials or any joint marketing activities shall be subject to such Party's prior written approval. Notwithstanding the foregoing, if required by applicable law, each Party may issue press releases concerning the Company Solution or the cooperation hereunder and other disclosures as required by applicable law without the consent of the other Party, provided the Party making the disclosure provides advance notice to the other party of such disclosure, if permitted by applicable law.

6.4 Each Party shall solicit and reasonably consider the views of the other Party in designing and publishing Promotional Materials. Once approved by the other Party, the Promotional Materials may be used and re-used by a Party for the purpose of

promoting the Company Solution and the SAP Software referenced therein until such approval is withdrawn by the other Party with reasonable prior written notice. In the event such approval is withdrawn, existing Promotional Materials shall be returned or deleted within a reasonable period of time, as outlined in the withdrawal notice.

7. **Warranty**

7.1 SAP warrants that the SAP Software and SAP Interface will operate in material conformance with the SAP Documentation during the Warranty Period. The Warranty Period for the SAP Software and SAP Interface shall be three (3) months after first delivery to Company. SAP's sole obligation and Company's exclusive remedy for any nonconformance shall be, at SAP's option, to correct the defect by providing a remedy which brings the performance of the SAP Software or SAP Interface into substantial compliance with the SAP Documentation, or to replace the defective component. The warranty in this Section 7.1 does not apply to pre-release versions of SAP Software.

7.2 Company warrants that the Company Solution will operate in material conformance with the Company Documentation during the Warranty Period. The Warranty Period for the Company Solution shall be three (3) months after SAP is provided access to the Company Solution; provided that the Warranty Period shall not commence sooner than the Effective Date. Company's sole obligation and SAP's exclusive remedy for any nonconformance shall be, at Company's option, to correct the defect by providing a remedy which brings the performance of the Company Solution into substantial compliance with the Company Documentation, or to replace the defective component. The warranty in this Section 7.2 does not apply to pre-release versions of Company Solution.

7.3 The foregoing warranties shall not apply: (i) to any third party software to the extent such third party software causes the defect; or (ii) if the applicable component is not used in accordance with the Documentation; or (iii) if the applicable component has been subjected to any modification not agreed to by the parties pursuant to this Agreement; or (iv) to the extent that the defect is caused by or is contributed to by the end user or the Party that receives the applicable component.

7.4 THE WARRANTIES SET FORTH IN THIS SECTION 7 ARE THE ONLY WARRANTIES MADE BY EITHER PARTY AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT TO THE EXTENT STATED ABOVE, ALL SOFTWARE, PRODUCTS, SERVICES AND MATERIALS ARE PROVIDED "AS IS" AND "WITH ALL FAULTS" AND WITHOUT WARRANTIES OF ANY KIND. THERE ARE NO WARRANTIES OF TITLE, NON-INFRINGEMENT OR OF RESULTS OBTAINED WITH RESPECT TO USE OF ANY DELIVERABLES OR ANY SERVICES OR ANY SERVICES PROVIDED BY EITHER PARTY HEREUNDER.

8. **Limitation on Liability**

8.1 EXCEPT WITH RESPECT TO ANY BREACHES OF CONFIDENTIALITY AND INDEMNIFICATION OBLIGATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, OR OTHER PECUNIARY LOSS), WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY, ARISING OUT OF THIS AGREEMENT, EVEN IF FOREWARNED OF THE POSSIBILITY OF THE SAME.

8.2 EXCEPT WITH RESPECT TO MISAPPROPRIATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR ANY DIRECT DAMAGES, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY, ARISING OUT OF THIS AGREEMENT IN EXCESS OF [***].

8.3 Any claims for damages by either Party shall expire on the earlier of: (a) the date that is one (1) year after the time that such Party has become aware of the event giving rise to the claim; or (b) the date that is two (2) years after the claim arises (provided that the foregoing one (I) and two (2) year periods shall be tolled upon the filing of a judicial action for the claim). Notwithstanding the foregoing, the limitation period set forth in this Section 8.3 will not apply to cases of fraud, willful misconduct or personal injury.

8.4 The foregoing limitations on liability in Sections 8.1 and 8.2 shall not apply to (i) breaches of Section 11 (Confidentiality) or (ii) SAP's indemnification and defense obligations under Section 10.

9. **Proprietary Rights of the Parties**

9.1 This Agreement, and the Parties' performance hereunder, does not grant to SAP or Company either ownership of, or a license to, whether by implication, estoppel or otherwise, any Intellectual Property Rights of the other Party, except to the extent expressly granted herein.

9.2 Any pre-existing programs, tools, systems, data or materials made available by SAP to Company in the course of the performance under this Agreement including, but not limited to, the SAP Software, the Conceptual Design, the SAP Documentation, the SAP Interface (collectively, "SAP Materials"), and all Intellectual Property Rights embodied in the foregoing, shall be the sole and exclusive property of SAP, subject to any rights expressly granted to Company herein. Subject to and conditioned upon Company's compliance with the terms of this Agreement, SAP hereby grants to Company a limited, worldwide, royalty free, fully paid-up, non-exclusive, nontransferable right and license (without the right to grant sublicenses) under SAP's

Intellectual Property Rights in the SAP Materials, for the Term of this Agreement, to reproduce, display, and use the SAP Materials solely for the purpose of developing an integration with the SAP Software and testing the Company Solution contemplated herein. SAP retains title to all individual electronic copies of the SAP Materials.

9.3 Any pre-existing programs, tools, systems, data or materials made available by Company to SAP in the course of the performance under this Agreement (collectively, "Company Materials"), and all Intellectual Property Rights embodied in the foregoing, shall be the sole and exclusive property of Company, subject to any rights expressly granted to SAP herein. Company hereby grants to SAP a limited, worldwide, royalty free, fully paid-up, non-exclusive, non-transferable right and license (without the right to grant sublicenses) under Company's Intellectual Property Rights in the Company Materials, for the Term of this Agreement, to reproduce, display, and use the Company Materials solely for the purpose of developing the SAP Interface and testing the SAP Software and SAP Interface as contemplated herein. Company retains title to all individual electronic copies of the Company Materials.

9.4 SAP shall not modify the Company Materials and Company shall not modify the SAP Materials under this Agreement. Any modifications are subject to the owning Party's prior written consent and a written agreement pertaining to the development of such modifications.

9.5 Any Newly Developed Materials that relate primarily to the Company Materials, and all Intellectual Property Rights embodied therein, will be owned by Company. ("Company Newly Developed Materials"). SAP hereby irrevocably assigns to Company all SAP's right, title and interest in and to such Company Newly Developed Materials created by or on behalf of SAP. Company hereby grants to SAP a non-exclusive, perpetual, irrevocable, worldwide, royalty-free and fully paid up license, with the right to grant sublicenses, to use, reproduce, display, and distribute the Company Newly Developed Materials, and to make, have made, use, lease, sell, offer for sale, import, export or otherwise transfer, under its current and future license and distribution models, any product which includes such Company Newly Developed Materials, and to practice any method, covered by any Intellectual Property Rights in such Company Newly Developed Materials.

9.6 Except to the extent otherwise provided for elsewhere in this Agreement, any and all Intellectual Property Rights to or arising out of any Newly Developed Materials that do not relate primarily to the Company Materials shall belong to SAP ("SAP Newly Developed Materials"). Company hereby irrevocably assigns to SAP all Company's right, title and interest in and to such SAP Newly Developed Materials created by or on behalf of Company. SAP hereby grants to Company a non-exclusive, worldwide, perpetual, irrevocable, royalty-free and fully paid up license, with the right to grant sublicenses, to use, reproduce, display, and distribute the SAP Newly Developed Materials, and to make, have made, use, lease, sell, offer for sale, import, export or otherwise transfer , under its current and future license and distribution models, any product which includes such Company Newly Developed Materials, and to practice any method, covered by any Intellectual Property Rights in such SAP Newly Developed Materials.

9.7 All assignments of rights granted under this Agreement include, but are not limited to, the right to register or file proprietary rights based on the materials being assigned ("Assigned Materials"). Each Party further agrees to provide to the other Party promptly upon the other Party's request all pertinent facts and documents relating to any Assigned Materials. Each Party further agrees to perform promptly such lawful acts and to sign promptly such further applications, assignments, statements, and other lawful documents as the other Party may reasonably request to effectuate fully the assignments hereunder.

9.8 Neither Party may reverse engineer, decompile, or disassemble the other Party's software; encourage or allow any third party to reverse engineer, decompile, or disassemble the other Party's software; or otherwise attempt to obtain any source code for the other Party's software not provided to the Party by the other Party — except and only to the extent that such activity is expressly permitted by applicable law notwithstanding this limitation.

9.9 In exchange for the (i) rights described in Section 9.2 to use SAP Materials and (ii) the rights described in Section 9.6 to use SAP Newly Developed Materials, Company hereby covenants not to assert against SAP and its subsidiaries, or their resellers, distributors, suppliers, commercial partners and customers, any claims of Intellectual Property Rights of Company in SAP Newly Developed Materials. For the sake of clarity, the foregoing shall not limit SAP's indemnity obligation as set forth in Section 10 of this Agreement.

10. **Indemnification**

10.1 Company and SAP agree to indemnify each other for any liability or expense arising out of claims for personal injury or property damage (but only to the extent that such property damage is not covered by general liability insurance) resulting from intentional or gross negligent acts by the other Party.

10.2 Each Party (the "Indemnifying Party") will defend at its own expense any legal proceeding brought against the other Party (the "Indemnified Party"), to the extent that such proceeding is based on a claim that the use of the Indemnifying Party's deliverables hereunder is an infringement of a third party's Intellectual Property Rights, and will pay all damages and costs awarded by a court of final appeal attributable to such claim or amounts paid in settlement of such claim; provided, however, that the Indemnified Party:

10.2.1 Provides notice of the claim promptly to the Indemnifying Party;

10.2.2 Gives the Indemnifying Party sole control of the defense and settlement of the claim; provided that the Indemnified Party, at its option and expense, may also be represented in the legal proceeding by independent counsel;

10.2.3 Exercises commercially reasonable efforts to provide to the Indemnifying Party, at the Indemnifying Party's expense, available information, assistance and authority to defend such claim;

10.2.4 Has not compromised or settled such proceeding without the Indemnifying Party's prior written consent.

10.3 Each Party shall have no liability for any infringement or claim, which results from the use of its products in combination with any equipment, software or data not provided or approved by such Party.

10.4 This Section 10 states the entire liability of each Party with respect to the indemnification of any intellectual property right infringement hereunder and there shall be no additional liability with respect to any alleged or proven infringement.

11. Confidentiality

11.1 Each Party acknowledges that, during the Term of this Agreement, it will receive information from the other Party that the other Party regards as confidential and proprietary, as defined below (the Party disclosing such Confidential Information being the "Disclosing Party" and the Party receiving such Confidential Information being the "Receiving Party").

11.2 As used herein, "Confidential Information" shall mean all information which Disclosing Party protects against unrestricted disclosure to others, furnished by the Disclosing Party or its Representatives (defined below) to the Receiving Party or its Representatives in writing or in other tangible form and clearly identified as confidential or proprietary at the time of disclosure marked with an appropriate legend indicating that the information is deemed confidential or proprietary by the Disclosing Party, including but not limited to, information that is related to:

(a) the business plans or operations of the Disclosing Party (including pricing);

(b) the research and development or investigations of the Disclosing Party;

(c) the business of any customer or partner of the Disclosing Party;

(d) Disclosing Party's properties, employees, finances, operations;

(e) any information about or concerning any third party (which information was provided to the Disclosing Party subject to an applicable confidentiality obligation to such third Party);

(f) software and related documentation including, but not limited to, the Company Solution (for Company), and the SAP Software, the SAP Interface, and the Conceptual Design (for SAP), (respectively, "Disclosing Party's Software") as well as the following information regarding Disclosing Party's Software: (i) computer software (object and source codes), programming techniques and programming concepts, methods of processing, system designs embodied in Disclosing Party's Software; and (ii) discoveries, inventions, concepts, designs, flow charts, documentation, product specifications, application program interface specifications, techniques and processes relating to Disclosing Party's Software; and

(g) product offerings, content partners, product pricing, product availability, technical drawings, algorithms, processes, ideas, techniques, formulas, data, schematics, trade secrets, know-how, improvements, inventions (whether patentable or not), marketing plans, forecasts and strategies.

Where the Confidential Information has not been reduced to written or other tangible form at the time of disclosure, and such disclosure is made orally or visually, the Disclosing Party agrees to identify it as confidential or proprietary at the time of disclosure and to either submit the information in a written format or summarize the Confidential Information in writing and deliver such information or summary (such information or summary may be delivered via email) within thirty (30) calendar days of such oral or visual disclosure. Neither Party shall identify information as confidential or proprietary that is not in good faith believed to be confidential, privileged, a trade secret, or otherwise entitled to such markings or proprietary claims.

Notwithstanding any language to the contrary in this Section, in the event a party inadvertently fails to mark a disclosure, or submit or summarize an oral or visual disclosure, if such information is treated by the Disclosing Party as confidential and the information is such that by its nature and under the circumstances it would be objectively perceived as information that ought to be accorded confidential treatment, then the Receiving Party shall treat it as such.

11.3 Confidential Information shall not be reproduced in any form except as required to accomplish the intent of this Agreement. Any reproduction of any Confidential Information of a Disclosing Party shall remain the property of the Disclosing Party and shall contain any and all confidential or proprietary notices or legends which appear on the original. The Receiving Party:

(a) shall take all reasonable steps (defined below) to keep all Confidential Information strictly confidential;

(b) shall not disclose or reveal any Confidential Information to any person other than its Representatives who are actively and directly involved in the performance under this Agreement, or who otherwise need to know the Confidential Information for the purpose of the Party's performance under this Agreement;

(c) shall not use Confidential Information for any purpose other than in connection with the Parties' performance under this Agreement; and

(d) shall not disclose to any person (other than those of its Representatives who are actively and directly participating in the scope of work under this Agreement or who otherwise need to know for the purpose of the Party's performance under the Agreement) any information about the Agreement, or the terms or conditions or any other facts relating thereto, including, without limitation, the fact that Confidential Information has been made available to the Receiving Party or its Representatives.

As used herein "reasonable steps" means those steps the Receiving Party takes to protect its own similar proprietary and confidential information, which shall not be less than a reasonable standard of care. As used herein, "Representatives" shall mean (i) employees of Receiving Party; (ii) attorneys, accountants, or other professional business advisors; and, additionally, (iii) employees of SAP and those entities directly or indirectly owned by SAP entities, and (iv) employees of any Company entity who are directly involved in the performance of obligations under this Agreement. The Receiving Party shall be responsible for any breach of the terms of this Agreement by it or its Representatives.

11.4 The above restrictions on the use or disclosure of the Confidential Information shall not apply to any Confidential Information that:

(a) is independently developed by Receiving Party without reference to the Disclosing Party's Confidential Information, or is lawfully received free of restriction from a third party having the right to furnish such Confidential Information; or

(b) has become generally available to the public without breach of this Agreement by Receiving Party; or

(c) at the time of disclosure to Receiving Party was known to such Party free of restriction; or

(d) Disclosing Party agrees in writing is free of such restrictions.

11.5 In the event that the Receiving Party or any of its Representatives are requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any Confidential Information or any other information concerning the Disclosing Party, this Agreement, or the Parties' performance hereunder, the Receiving Party shall to the extent it is not legally prohibited from doing so, provide the Disclosing Party with prompt notice of such request or requirement in order to enable the Disclosing Party (i) to seek an appropriate protective order or other

remedy; (ii) to consult with the Receiving Party with respect to the Disclosing Party's taking steps to resist or narrow the scope of such request or legal process; or (iii) to waive compliance, in whole or in part, with the terms of this Agreement. In the event that such protective order or other remedy is not obtained in a timely manner, or the Disclosing Party waives compliance, in whole or in part, with the terms of this Agreement, the Receiving Party or its Representative shall use commercially reasonable efforts to disclose only that portion of the Confidential Information which is legally required to be disclosed and to require that all Confidential Information that is so disclosed will be accorded confidential treatment.

11.6 Upon the Disclosing Party's written request, the Receiving Party shall (upon termination of the Agreement or at the Receiving Party's election) return or destroy (provided that any such destruction shall be certified by a duly authorized Representative of the Receiving Party) all Confidential Information of the Disclosing Party and all copies, reproductions, summaries, analyses or extracts thereof or based thereon (whether in hard-copy form or on intangible media, such as electronic mail or computer files) in the Receiving Party's possession or in the possession of any Representative of the Receiving Party; provided, however: (i) that if a legal proceeding has been instituted to seek disclosure of the Confidential Information, such material shall not be destroyed until the proceeding is settled or a final judgment with respect thereto has been rendered; and (ii) that the Receiving Party shall not, in connection with the foregoing obligations, be required to identify or delete Confidential Information held in archive or backup systems in accordance with general systems archiving or backup policies. Upon each Party's request, the other Party will, within thirty (30) days of termination, certify in writing to the other Party's compliance with this Section.

11.7 The foregoing obligations shall survive any termination or expiration of this Agreement. Neither Party shall disclose the terms or conditions of this Agreement without the prior written approval of the other Party.

11.8 Each Party recognizes that the other Party has the right to make, use, market, license, or distribute products or software that would compete with the Company Solution (in the case of Company) and SAP Materials (in the case of SAP) as long as that the foregoing other Party shall not thereby breach this Agreement. Nothing shall restrict such Party and/or its affiliates' freedom to independently develop any new or improved functionalities, products, means, systems and/or processes related to its software, which, in whole or in parts are congruent, similar and/or comparable to developments by the other Party. Further, either Party shall be free to use for any purpose the residuals resulting from access to or work with information (including Confidential Information) disclosed hereunder. The term "residuals" means information in non-tangible form, which may be retained by persons who have had access to such the information, including ideas, concepts, know-how or techniques contained herein. Neither Party shall have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from use of residuals.

12. **Term and Termination**

12.1 This Agreement comes into effect on the Effective Date and shall be in force for an initial term of two (2) years and thereafter will continue in full force and effect for successive periods of one (1) year, until either Party terminates the Agreement (the "Term") provided in Section 12.1 and 12.2. Each Party may terminate the Agreement for convenience by giving the other Party six (6) months written notice prior to the end of the initial two (2) year Term or any subsequent renewal period.

Furthermore, SAP shall have the right to terminate this Agreement upon one hundred and eighty (180) days prior written notice, if Company fails to achieve the revenue targets defined in Sections 4.2 of Appendix 3.

12.2 Either Party will have the right to terminate this Agreement for cause by delivery of written notice of termination to the other Party hereto in the event such other Party (i) materially breaches any representation, warranty, covenant or agreement made by it hereunder or otherwise fails to perform any of its material obligations hereunder and such breach or failure is not cured within thirty (30) days after delivery of such notice to the defaulting Party, (ii) if the other Party files a petition for bankruptcy or insolvency, has an involuntary petition under bankruptcy laws filed against it, commences an action providing for relief under bankruptcy laws, files for the appointment of a receiver, or is adjudicated a bankrupt concern or (iii) is acquired by, or acquires, any third party that competes directly with such Party .

12.3 Termination of this Agreement shall not affect any customer contract concluded prior to the date termination becomes effective. Company agrees to maintain the compatibility of the Company Solution as set forth in Section 4.5 through the remainder of Company's customer contracts with joint customers, provided however that neither Party is required to renew their contract with the customer solely because of this Section 12.3.

12.4 Except as otherwise provided in this Agreement, upon such effective date of termination, each Party's rights and obligations hereunder will terminate. The rights and obligations of the Parties under Sections 7.4 and 8 through 12 hereof will survive such expiration and termination.

13. **Miscellaneous**

13.1 Should any provision of this Agreement prove to be ineffective or unenforceable, this shall not affect the validity of the balance of the Agreement and this Agreement shall be construed as if such ineffective or unenforceable provision had never been contained herein.

13.2 All notices required or permitted under this Agreement should be addressed to the contact and location outlined below. If the information below changes during the Term of this Agreement, either Party will notify the other Party in writing:

Company Name:	SAP AG	BlackLine Systems, Inc.
Street:	Dietmar-Hopp-Allee 16	21300 Victory Blvd., 12th Floor
City/State:	Walldorf	Woodland Hills, CA
Country/Postal Code:	Germany – 69190	USA — 91367
Attention:	Global Licensing	Corporate Counsel

13.3 Company and SAP are independent contractors acting for their own account, and neither Party nor its employees are authorized to make any representation otherwise or any commitment on the other Party's behalf unless previously authorized by such Party in writing. Nothing contained herein is intended to expressly or impliedly create, a principal and agent relationship, a legal partnership or joint venture, or any responsibility by one Party for the actions of the other.

13.4 Both Parties use information technology to store and process data concerning their business relationships. Each Party shall observe all applicable data protection laws in processing and handling personal data, including (without limitation) personal data controlled by their customers. Both Parties are responsible for permitting the personal data it provides to be processed and for protecting the rights of the data owner and the data controller.

13.5 This Agreement represents the entire arrangement between the Parties in respect of its subject matter and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to its subject matter. No collateral agreements have been made. Unless otherwise specifically provided for in this Agreement, no variation, supplement or replacement of or from this Agreement or any of its terms shall be effective unless made in writing and signed by or on behalf of each Party with the intention to vary, supplement or replace being clearly expressed. The same applies to any provision by which the written form requirement is contracted out.

13.6 The Parties acknowledge that the laws and regulations of Germany and/or European Community, the United States and/or other applicable countries may restrict the export and re-export of commodities and technical data of their respective origin. Both Parties acknowledge that a close cooperation with regard to development of critical components is necessary in order to minimize potential export restrictions.

13.7 This Agreement shall be governed exclusively by and construed in accordance with the laws of U.S., State of New York. Exclusive venue shall be New York City ("Applicable Law").

13.7 This Agreement may not be assigned or transferred by either Party without the prior written consent of the other Party. Notwithstanding the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement, as well as their respective permitted successors and assigns. SAP may assign this Agreement to any of its affiliates.

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

APPENDICES:

Appendix 1: Scope of the Integration
Appendix 2: Project Plan
Appendix 3: Revenue Share
Appendix 4: Support Collaboration
Appendix 5: SAP Enterprise Support
Appendix 6: Reserved
Appendix 7: Company License
Appendix 8: Entity Exclusion List
Appendix 9: SAP Guidelines Regarding SAP-ENDORSED BUSINESS SOLUTION

BlackLine Systems, Inc.

/s/ Therese Tucker
BY:

Therese Tucker
TYPED:

Chief Executive Officer
TITLE:

September 27, 2013
DATE:

SAP

/s/ Marcell Vollmer
BY:

ppa. Dr. Marcell Vollmer
TYPED:

Chief Procurement Officer
TITLE:

17. Okt. 2013
DATE:

/s/ [Illegible Signature]
BY:

[Illegible Name]
TYPED:

[Illegible Title]
TITLE:

17. Okt. 2013
DATE

<SIGNATURE PAGE OF THE SOFTWARE DEVELOPMENT COOPERATION AGREEMENT>

APPENDIX I
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

Scope of the integration

1. Company Solution

Company Solution means the "**BlackLine Financial Close Suite for SAP**", which includes one or more of the following modules and connectors, and such modules as may be added after the Effective Date:

- Account Reconciliation
- Consolidation Integrity Manager
- Variance Analysis
- Task Management
- Transaction Matching
- Journal Entry
- BlackLine SAP Connector

BlackLine Financial Close Suite for SAP version 6.3.0, and successor versions, and BlackLine SAP Connector version 2.5 and successor versions.

The integration described in Section 3 shall also be provided for any successor version / release of the BlackLine Financial Close Suite for SAP.

The BlackLine SAP Connector will only be distributed with BlackLine Financial Close Suite for SAP, provided that BlackLine may distribute the SAP Connector independent of the BlackLine Financial Close Suite for SAP to its existing Company customers as of the Effective Date, as well as any Company customer that initially purchases the Blackline Financial Close Suite, but subsequently requests support for SAP Software.

2. SAP Software

SAP ECC 6.0 Enhancement Package 6 for SAP HANA

SAP ECC 6.0 Enhancement Package 1 to 7

SAP ECC 6.0

SAP ECC 5.0

SAP R/3 Enterprise (4.7)

The integration described in Section 3 shall also be provided for any successor version / release of the SAP ECC component.

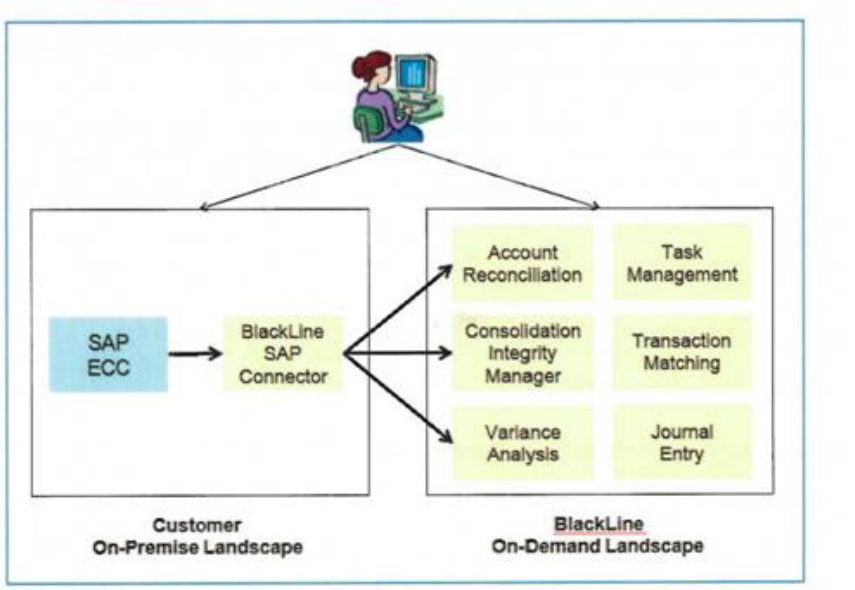
3. Integration Scenario

BlackLine Financial Close Suite for SAP is offered by BlackLine and currently provided as a hosted solution. The BlackLine SAP Connector is on-premise software. BlackLine customers install it into their SAP ECC instance.

The BlackLine SAP Connector allows for the extraction of different kinds of data from the SAP ECC system to the Company Solution, including but not limited to:

- G/L Account balances
- Currency exchange rates

The extracted data is encrypted and sent via a secure network connection to the BlackLine Financial Close Suite for SAP (“push” from the SAP landscape). The extracted data is leveraged in the modules Account Reconciliation, Consolidation Integrity Manager, and Variance Analysis. For the three other modules of the BlackLine Financial Close Suite for SAP there is no direct integration to SAP, currently.



SAP and Company will evaluate the potential to also integrate Company Solution with SAP Cloud solutions or other SAP on-premise solutions.

4. Product Standards/Release Planning

Company shall ensure that Company Solution is compliant with requirements as outlined in the then current SAP product standard guidelines sheet and the solution qualification test plan defined by SAP for the Company Solution referencing the applicable SAP product standards.

The Company Solution shall be subject to acceptance by SAP subject to completion of an acceptance test according to the then current terms and conditions concerning the applicable SAP product standards.

During such acceptance tests, SAP will test and evaluate the Company Solution and notify Company if the Company Solution adheres to the standards described above. Company shall promptly correct any errors and make required changes to the Company Solution to comply with the standards. If Company does not adhere to the standards described above and continues to fail to cure such noncompliance, SAP may terminate this Agreement with thirty (30) days written notice.

After the initial acceptance test, the Parties will have regular review cycles to review the compliance of the Company Solution with the then current SAP product standard guidelines and release levels. In these review meetings SAP will determine, if a re-qualification of the Company Solution subject to the process described above is required. Company will provide SAP with all necessary information to do this determination. If SAP requests a re-qualification for the Company Solution, Company agrees to cooperate with SAP in all respects and fulfill all requirements to enable the re-qualification test according to the then current SAP product standard guidelines sheet and the solution qualification test plan defined by SAP.

On SAP's request, Company shall provide SAP with access to the Company Solution for testing and validation purposes. In each instance, such access shall be on a no-charge basis and subject to the BlackLine Master Subscription Agreement previously signed by the Parties.

On a yearly basis the Parties will evaluate their respective release schedule and use reasonable commercial efforts to align on such schedule for the Company Solution and the SAP Software. The Parties will communicate each amendments or additions to such release planning affecting the integration scenario at least on a quarterly basis.

5. Certification

Company shall use commercially reasonable efforts to apply and successfully pass the "SAP Certified — Integration with SAP Applications" certification subject to the then current terms and conditions.

APPENDIX 2
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

Project Plan

Please describe the project steps

Milestones	Completion Dates	Relevant Acceptance Criteria
Step 1: Company will grant SAP access to the ABAP code of the BlackLine SAP Connector 2.5 as far as it relates to data selects from SAP tables	March 31, 2.013	SAP receives access to code by Company
Step 2: SAP will review the code provided under step 1 and will advice on required changes (if any) to achieve functional correctness of the solution	April 15, 2013	SAP sends feedback to Company
Step 3: Company will adopt the advice provided by SAP under step 2 (if any)	Next version of BlackLine SAP Connector after release 2.5	BlackLine updates code of the BlackLine SAP Connector
Step 4: Company will replace native database selects of SAP tables in the BlackLine SAP Connector by the use of released or recommended SAP interfaces assuming that the recommended interfaces will perform to Company's and its Customers speed requirements	December 31, 2014	BlackLine updates code of the BlackLine SAP Connector
Step 5: SAP and Company will review additional integration requests by customers and decide about potential joint steps in 2014.	December 31, 2013	Meeting held and minutes available

APPENDIX 3
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

Revenue Share

1. Definitions

If not set forth otherwise hereunder the definitions set forth under the Agreement shall also apply to this Appendix 3. For the purposes of this Appendix, the following definitions shall apply:

1.1 **"Company Subsidiaries**" means Company's affiliates and subsidiaries, defined as corporations or other entities of which Company owns, either directly or indirectly, more than fifty percent (50%) of the stock or other equity interests.

1.2 **"Net Revenue**" means all fees due, and, invoiced by the Company or Company Subsidiaries for all sales (including, without limitation, licenses, subscriptions, renewal term, expansion of the number of users for SAP Customer and other forms of revenue-generating transactions) of the Company Solution (as described in Appendix 1) to SAP Customers for the entire Term of the agreement with the SAP Customer whether sold directly or sold through channels, Company Subsidiaries, agents or other representatives. For avoidance of doubt, "Net Revenue" shall not include fees for customized integration or implementation services, channel, Company Subsidiary or agent discounts, any taxes or tax charges of any kind (including but not limited to, income tax, corporation tax, customs duties, tariffs, excise, gross receipts, sales and use and value added tax) or renewal term or expansion of the number of users for existing users at SAP Customers as of the Effective Date of this Agreement. The term "Net Revenue" shall not include (a) receipts by Company under customer contracts executed prior to the Effective Date of this Agreement or (b) receipts related to renewals or extensions of such contracts. Notwithstanding the foregoing, Company shall be obligated to pay, and SAP shall be entitled to receive SAP License Royalties, as indicated in Section 4.1 of this Appendix, for any customer contracts with [***] irrespective of whether customer contracts with such customers were executed before or after the Effective Date of this Agreement).

1.3 **"SAP Customer**" shall mean a company that has licensed, or is licensed to use through a parent, affiliate, or other group company, or is in a Sales Cycle to license any of the following SAP solutions: SAP CRP, SAP enterprise performance management solutions, SAP Business ByDesign, or SAP Cloud Financials. A company with whom a Sales Cycle with SAP or an SAP affiliate is ongoing shall be deemed a SAP Customer with regard to this Agreement, if an SAP solution set forth in the foregoing sentence is licensed directly to the company (or the company obtains the right to use the SAP solution through a parent, affiliate, or other group company) within six (6) months after the Company completes a sale of the Company Solution to such company. SAP will inform the Company as to the status of any company with

regard to its SAP relationship upon request, and the parties will work together in good faith to resolve any disagreement regarding the status of a purchaser or prospective purchaser of the Company Solution as an "SAP Customer". SAP Customer shall not include any entity listed on Appendix 8 (Entity Exclusion List) for the period of time specified. Notwithstanding the foregoing, if an SAP Customer obtains the right to use the Company Solution as the result of an affiliate of the SAP Customer having licensed the Company Solution, only the revenue attributable to the use of the Company Solution by the SAP Customer entity shall qualify as Net Revenue and be subject to payment by Company of SAP License Royalties.

1.4 Subject to the limitation in Section 1.3, above, "Sales Cycle" means the entire process of selling the SAP solutions identified in Section 1.3 of this Appendix, beginning with some form of initial engagement with the prospect (such as a phone call from the prospect to enquire about pricing) until the point when the customer either signs an SAP customer agreement or notifies SAP of a decision not to purchase SAP Software.

2. SAP Obligations

SAP will nominate a contact person who will coordinate any revenue related topics between the Parties under this Appendix. This person shall be the single point of contact for the Company who is authorized to make or accept required declarations on behalf of SAP.

3. Company Obligations

3.1 Company will nominate a contact person who will coordinate any revenue related topics under this Appendix between the Parties. This person shall be the single point of contact for SAP who is authorized to make or accept needed declaration on behalf of the Company.

3.2 The Company will be responsible for all SAP Customers' billing and collection functions with respect to the Company products and services.

3.3 Company will be responsible for calculating, reporting and remitting any revenues due to SAP.

3.4 Without prior written consent from SAP, Company is not permitted to render any information concerning SAP software license terms, SAP Software, SAP services or any other issues related to SAP products and services to customers. Company shall refer any customer requiring such information to SAP.

4. Revenue Share

4.1 In consideration of the collaboration with SAP under the Agreement, Company shall pay SAP [***] of Net Revenue ("SAP License Royalties").

As remuneration for the obligations described under Appendix 4, Section 6.3, Company shall pay SAP a yearly fee of [***] ("SAP Maintenance Royalties"). SAP License Royalties and SAP Maintenance Royalties shall be together referred to as "SAP Royalties". In the first year, SAP will invoice Company based on the pro-rata amount to the end of the SAP fiscal year. This will be calculated, starting with the first full month following the Effective Date of this Agreement. In subsequent years, the full amount will be invoiced in the first quarter of the SAP fiscal year.

4.2 The current revenue targets for the sale of the Company Solution in specific countries will be part

of potential local business plans. The revenue target for SAP Royalties shall be at a minimum the following amounts per twelve (12) month period within the initial two (2) years after Effective Date.

Contractual Year	Year 1	Year 2
EUR	[***]	[***]

5. Revenue Share Reporting & Payments

5.1 SAP Royalties shall be due with each invoice of fees after execution of the agreement between Company and the SAP Customer and payable subject to Section 5.4.

5.2 Company agrees to provide a revenue share report on the tenth (10th) working day of each calendar month. Reports shall be provided even in the case that there are no SAP Royalties due. Three (3) business days before the end of each calendar year, Company will provide an additional update report. Each report required under this Appendix 3 shall contain detailed information on the each SAP Customer for which SAP Royalties are due or have been paid. Such information should at minimum include customer name (no abbreviations), customer address (street, city, postal code, country), group (if any), SAP Customer and installation number (if available), SAP Account Executive (if available), accounting period, new and renewed sales per SAP Customer in local and USD currency, a certificate evidencing the calculation of Net Revenue detailed by each individual SAP Customer and sub-totals by country of such SAP Customer. Additionally, Company will provide the report in Excel-file format in electronic form. SAP will inform in writing Company in case of change to the reporting format. Any changes or corrections to the royalty reports submitted to SAP can only be made within thirty (30) calendar days.

5.3 The currency exchange rate shall be based on the official fixing of the European Central Bank at the last business day of the month in which the Company invoices the SAP Customer.

5.4 SAP will invoice Company in USD currency according to Company's report on the SAP Royalties according to Section 5.2. Company shall pay the invoiced amount latest sixty (60) calendar days following the date of the invoice by SAP.

5.5 SAP reserves the right to audit the Company calculated revenue sharing. The audit right may be executed by SAP or a mutually agreed independent auditor and may be exercised one (1) time in any twelve (12) month period provided that the auditing Party signs customary assurances of confidentiality and the audit is performed in such a manner that will not disrupt Company's business. Company is only required to disclose information that consists of business records reflecting amounts due to SAP. SAP will be responsible for the costs of any audit.

5.6 If the audit discloses an underpayment, than Company will promptly, but no later than within one (1) calendar month, correct this underpayment by paying to SAP the amount of the underpayment. If the underpayment is greater than ten percent (10%) of the total amount payable during the period under audit, than Company will, in addition to paying the amount of the underpayment, reimburse SAP for the reasonable costs of the audit. In case an audit discloses discrepancies between actual Net Revenue or SAP Royalties and the amounts reported to SAP in two (2) or more reports, SAP may terminate this Appendix and the Agreement (including all Appendices) with thirty (30) days written notice.

5.7 All payments hereunder are non-refundable. The revenue share payment is recognized as revenue by SAP at the time of reporting to SAP.

5.8 All payment or reporting notices required or permitted under this Appendix should be addressed to the contact and location outlined below. If the information below changes during the Term of the Agreement, the Party will notify the other Party in writing:

Company Name:	SAP AG	BlackLine Systems, Inc.
Street:	Dietmar-Hopp-Allee 16	21300 Victory Blvd., *12111 Floor*
City/State:	69190 Walldorf	Woodland Hills, CA 91367
Country:	Germany	USA
Attention:	Global Royalty Administration	Accounts Payable
Email:	###	###
Bank information:	Deutsche Bank AG, Heidelberg, Germany	Silicon Valley Bank
Konto/Account:	###	###
BLZ/ Bank ID:	###	###
SWIFT-code:	###	###
PO Number:	Tbd	n/a

6. Taxes

6.1 Each Party shall be responsible for the payment of its own taxes.

6.2 Respectively all taxes based on income that are imposed, or may be imposed during the Term of this Agreement, by any federal, state or local government entities for payments received under this agreement will be borne by the recipient of the payment (the Recipient).

6.3 If the Party making such payments (the "Payer") is required by law to withhold income or corporation tax or a similar tax ("Withholding Tax") from any gross payment to the Recipient under this Agreement, Payer shall be entitled to withhold or deduct such tax from the gross amount to be paid if and to the extent that the Recipient may offset the withholding income and corporate tax liabilities according to the law of the country of residence of the Recipient against its income or corporate tax liabilities. However, Payer shall use all efforts to reduce any such withholding payable to the lowest possible rate subject to compliance with all applicable laws and double taxation treaties. Recipient will cooperate with Payer to the extent that is necessary to apply for such reduction, especially by, but not limited to, providing necessary forms to Payer or the relevant tax authority. Otherwise, Payer is entitled to withhold tax at standard rates according to the relevant laws. The Payer will in the case of any withholding of any Withholding Tax provide to the Recipient a receipt from the relevant tax authority to which such Withholding Tax has been paid.

6.4 All other taxes or charges of any kind (including but not limited to, customs duties, tariffs, excise, gross receipts, sales and use and value added tax) except income tax or corporation tax (or similar taxes) will be borne by the Payer. If any such tax or duty has to be withheld or deducted from any payment under this Agreement, Payer shall increase payment under this Agreement by such amount as shall ensure that after such withholding or deduction, Recipient shall have received an amount equal to the payment otherwise required.

7. Term and Termination

This Appendix shall terminate or expire the date that the Agreement terminates or expires. In addition to the terms set forth under Section 12 of the Agreement, any provisions of this Appendix which, by their nature, require performance after termination, shall survive any termination. In particular, Company's obligation to report and pay SAP Royalties will survive with respect to any Net Revenues from an agreement executed, renewed or extended with the SAP Customer prior to the date of termination or expiration of the Agreement ("Existing Agreement"). Notwithstanding the foregoing, Company shall not owe any SAP Royalties for (a) any agreement with an SAP Customer executed after the date of termination or expiration of the Agreement; or (b) any renewal term or expansion of the number of users under an Existing Agreement which occurs after the date of termination or expiration of the Agreement. Any payments owing or accrued as of the effective date of termination shall be promptly paid by the Company.

APPENDIX 4
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

Support Collaboration

This Appendix sets forth the terms and conditions pursuant to which SAP and Company cooperate in handling Customer support requests concerning the Company Solution and the SAP Software. SAP and Company will provide Support Services (as defined below) in accordance with the applicable SAP standards for SAP support services subject to Company's commitment to connect to the SAP Global Support Backbone (as defined below).

1. Definitions

If not set forth otherwise hereunder, the definitions set forth under the Agreement shall also apply to this Appendix 4. For the purposes of this Appendix, the following additional definitions shall apply:

1.1 **"Joint Customer**" shall mean a SAP customer that operates the Company Solution in conjunction with an SAP solution and that has valid maintenance agreements in place for both solutions.

1.2 **"Incident**" shall mean a support event starting with (i) a failure, a defect or the functional impairment of the Company Solution or SAP Software or (ii) the reasonable probability that a failure, a defect or the functional impairment is caused by the Company Solution or SAP Software. As soon as Company's support organization is informed by a Joint Customer, the support event becomes an Incident.

1.3 **"Incident Remedy**" shall mean the process of providing an appropriate remedy to fix an Incident, including but not limited to eliminating the defect or failure, providing a new version of the affected software solution, or demonstrating how to avoid the effects of the defect with reasonable effort. Incident Remedy corresponds with error corrections, patches, bug fixes, workarounds, replacement deliveries or any other type of software or documentation corrections or modifications to cure the Incident. Incident Remedy can include a de-escalation Taskforce.

1.4 **"Mission-Critical Software Product**" shall mean a software product that, when not functioning, may lead to critical interruptions or delays in Customer's business processes and may cause a serious negative impact on the business of such Customer or SAP.

1.5 **"Root Cause Analysis (RCA)**" is the method and procedure of conducting an investigation into an Incident that allows understanding the root or fundamental cause of the Incident so that the problem may be corrected.

1.6 **"SAP Collaboration Platform**" shall mean the technical infrastructure that is pre-requisite technical network between Joint Customer system landscape, SAP Global Support Backbone and Company SAP Solution Manager for the Support Services described under this Appendix. The SAP Collaboration Platform leverages the features of the SAP Solution Manager by (i) inter-connecting the different SAP Solution Manager Service Helpdesks run by SAP, Joint Customers and Company and (ii) by giving Company and Joint Customers access to SAP's knowledge hubs. The SAP Collaboration Platform enables integration of ABAP- and Java-based tools for Root Cause Analysis of Incidents.

1.7 **"SAP Global Support Backbone**" shall mean SAP's overall service and support infrastructure. SAP Global Support Backbone is used for delivery of proactive services, incident management, and software updates including but not limited to software enhancement packages. SAP Global Support Backbone is fully integrated with SAP's knowledge databases and communities (such as SAP Service Marketplace). Along with SAP's remote supportability capabilities, SAP Global Support Backbone provides a single integrated lifecycle management platform that allows mission-critical support, and a smooth information flow between SAP, Joint Customers and Company.

1.8 **"SAP Solution Manager**" shall mean SAP's central application management and support platform and front-end to the SAP Global Support Backbone for SAP, customers and/or partners. This platform provides Joint Customers and Company with the technical basis required for the support collaboration under this Appendix.

1.9 **"SAP Solution Manager Service Helpdesk**" shall mean the functionality provided by the SAP Solution Manager and included in the SAP Solution Manager license provided in Schedule 2 to this Appendix, as primary and basic requirement for the technical environment that enables all parties involved in the resolution process for an Incident, to collaborate electronically by exchanging Incidents and that enables SAP and Company to provide Incident Remedy directly to Joint Customers.

1.10 **"SAP Solution Manager Diagnostics**" shall mean the analysis and diagnostics functionality of the SAP Solution Manager. It is the sole and central tool used by SAP to provide customers with Root Cause Analysis for an Incident.

1.11 **"SAP Support On-Boarding Process**" shall mean the process of (i) transferring Support Expertise regarding the Company Solution from Company to SAP, (ii) linking Company's support organization to the SAP Global Support Backbone this enabling support for Joint Customers' SAP software environment.

1.12 **"Support Expertise**" shall mean the technical skills and expert knowledge that is required to provide Joint Customers with qualified Support Services for Company Solution and SAP Software operated in the Joint Customer's respective SAP software environment in accordance with the stipulations in this Appendix. This expertise includes but is not limited to knowledge regarding (i) the interface between SAP Software and Company Solution, and (ii) the Company Solution itself, and (iii) SAP's and Company's Support tasks.

1.13 **"Support Services**" shall mean all services defined in this Appendix or any referenced documents comprising the collaboration between SAP and Company in handling Joint Customer support requests by leveraging the SAP Global Support Backbone as described hereunder.

2. Principles of the Support Collaboration and Scope

2.1 The processes and procedures defined in this Appendix 4 are applicable worldwide to all Joint Customers.

2.2 SAP and Company hereunder agree on a joint escalation process as well as service level agreement and implementation of a de-escalation taskforce. In addition Company will adhere to the SAP support standards that apply to the support of end-to-end operations of SAP software operated by Joint Customers. These standards include but are not limited to (i) customer support by Incident management,(ii) change management by change request management, change control management and test management, (iii) SAP application management by providing the customer with minimum documentation, remote supportability and Root Cause Analysis, (iv) business process operations by business process and interface monitoring and exception handling, data volume management, job scheduling, management and transactional consistency and data integrity and (v) SAP technical operations by system administration and system monitoring. The escalation process and the SAP support standards for third-party products are subject to change. SAP will provide Company with the most recent applicable SAP support standards for third-party products in the document "Applicable SAP Support Standards for Support Collaboration". This document is made available on the SAP Service Marketplace under https://service.sap.com/sw-partner Company will always adhere to the then current version.

2.3 Unless explicitly agreed otherwise herein, each Party will be responsible for its own costs incurred with the Support Services under this Appendix and its personnel costs incurred in performing the activities or obligations under this Appendix.

3. Company's Obligations under this Appendix

3.1 Company will deliver first level, second level and third level support as defined in the then current "Applicable SAP Support Standards for Support Collaboration with Integration Partners" with respect to Company Solution; the current version of which is included in Schedule 4 of this Appendix.

3.2 Integration into SAP Global Support Backbone. Company shall, as a key requirement of the Support Services, establish an interface to the SAP Global Support Backbone. Therefore Company shall (i) implement and operate the SAP Solution Manager subject to and in accordance with Schedule 2 to this Appendix and (ii) use the functionality provided by the SAP Solution Manager Service Helpdesk for all of its support tasks that require interaction between the Parties.

3.3 Company shall perform its support tasks as defined in the most recent applicable SAP support standards for third-party products as outlined the in the "SAP Support Standards for Support Collaborations with Integration Partners" document. This document is made available on the SAP Service Marketplace under https://service.sap.com/sw-partner. Company's support tasks are subject to change and Company will always adhere to the then current version.

3.4 Company shall provide Joint Customers with all levels of support services for Company's Software. SAP has no obligation to provide customers with Support Services for Company Solution.

3.5 Technical Pre-Requisites. Company agrees to provide SAP with support tools and technical documentation for the Company Solution allowing for efficient remote technical diagnosis and isolation of an Incident in the Joint Customer's SAP software environment by leveraging the SAP Global Support Backbone. SAP shall provide Company with its detailed request during the modules "Document Transfer" of the SAP Support On-Boarding Process as it is defined under Section 5 below.

4. SAP's Obligations under this Appendix

4.1 SAP's Support Tasks. SAP shall perform its support tasks for SAP Software as outlined in Appendix 5 to this Agreement, provided however that the provision of SAP's support tasks is contingent on Company has successfully performed its obligations under this Appendix. SAP's support tasks are subject to change.

4.2 Access to SAP Technical Notes. SAP will grant Company access to SAP technical notes via the SAP Service Marketplace and/or the SAP Solution Manager, as applicable.

4.3 SAP Support Methodology. SAP will assist Company, to ramp up Company's support organization regarding the applicable SAP support methodologies. This ramp-up education will be provided in accordance with SAP's support standards for third-party support education, at one Company site to be defined by Company.

4.4 Enabling Services. SAP will provide Company with the following training and other services to enable Company to operate the SAP Solution Manager ("Enabling Services"):

a) Assistance in the technical set up and configuration of Company's SAP Solution Manager and in initially connecting Company's SAP Solution Manager/SAP Collaboration Platform to the SAP Global Support Backbone.

b) Training of system administrators and support engineers in the continuous operation of the SAP Solution Manager.

5. SAP Support On-Boarding Process.

5.1 The SAP Support On-Boarding Process consists of multiple modules:

a) Document Transfer

5.2 SAP and Company will jointly align scheduling of these modules.

5.3 SAP and Company agree to bear their own costs that may arise out of the SAP Support On-Boarding Process.

5.4 Module “Document Transfer”.

5.4.1 The “Document Transfer” will be initiated by SAP.

5.4.2 Company agrees to provide SAP with access to Company’s technical support database.

5.4.3 Company agrees to provide SAP with all documents including but not limited to:

a) Technical Notes regarding known Incidents of the Company Solution and known Incident Remedies.

b) Technical recommendations regarding the methodologies for analyzing and evaluating an occurring error in the Company Solution.

c) Documentation regarding the communication processes between the Company Solution and the SAP Software interface, as there are mainly detailed protocols or error logs including but not limited to time stamps, error messages, and description of the data transferred between the SAP Software, and Company Solution. Depending on the amount of data transferred, Company will break down tracing information to comprehensive levels of detail.

d) Support solution guidelines for Company Solution, including but not limited to description of best practices, customer-care handbooks or comparable documentation.

e) Recommendations for customer standard system configuration. These guidelines shall summarize hardware-specific parameters including but not limited to parameters for system configuration, sizing, network, high availability, file distribution, disk organization, channels, capacity and charge.

6. SAP License Grant, Maintenance, Enabling Services, Remuneration

6.1 SAP Solution Manager License. For the Term of the Agreement, SAP grants Company the right to use the SAP Solution Manager as defined in Schedule 2 to this Appendix.

6.2 Maintenance. For the term of this Appendix, SAP will provide Enterprise Support Services (as defined in Appendix 5 to the Agreement) for Company's installation of the SAP Solution Manager.

6.3 Remuneration. Partner shall pay the fee as set forth under Appendix 3 for the (i) SAP Solution Manager license as set forth under Schedule 2 to this Appendix, (ii) the Enabling Services described under Section 4 above and (iii) the provision of Enterprise Support Services as set forth under Section 6.2 above.

7. Other Training in addition to the SAP Support On-Boarding Process.

7.1 Any additional requirement and/or customized training are subject to consent of the Party providing such training and may cause additional costs. Any training is subject to its then current terms and conditions. Both Parties shall jointly agree on the schedule of such training sessions.

7.2 Scope and Content. The content of the training sessions shall be recommended by the Party providing the training. The content shall be substantially similar to the standard training sessions that such Party provides to its own technical support resources. The Party that receives such training may define additional training requirements.

7.3 Training Locations. Each Party may provide the training sessions by their technical support or education organizations and may locate the training events in the facilities where such training is generally provided unless otherwise agreed to between the Parties in advance.

8. Governance of the Support Collaboration, Contact Persons

8.1 Support Review Meetings. The Parties shall meet regularly at a mutually agreed upon time at an SAP location to review and discuss the worldwide support performance.

8.2 Designated Contact Persons. Company will provide contact data regarding its support and escalation organization and individuals in Schedule 1 to this Appendix. The individuals may be contacted by SAP when the process interfaces defined in this Appendix need special attention.

8.3 Updating Contact Data regarding Support Services. Company agrees to update SAP on changes in its communication interfaces by e-mailing new or changed contact data to solution.support.partner@sap.com.

SCHEDULES to the Appendix

Schedule 1:	Company's Support Interfaces
Schedule 2:	License for SAP Solution Manager
Schedule 3:	Reserved
Schedule 4:	Applicable SAP Support Standards for Support Collaboration with Integration Partners

SCHEDULE 1
TO APPENDIX 4

COMPANY'S SUPPORT INTERFACES

Company agrees to update SAP on changes in its contact data by e-mailing, at least once a year, new or changed contact data to "###"

Support Contacts (24x7 hours):

	EMEA	APA	AMERICAS
Support Center	Office Hours: 09:00 to 18:00 GMT Name: Luke Weiss Title: Phone: ### Mobile: ### e-mail: ###	Office Hours: 05:00 to 23:00 PDT Name: Luke Weiss Title: Phone: ### Mobile: ### e-mail: ###	Office Hours: 05:00 to 23:00 PDT Name: Luke Weiss Title: Phone: ### Mobile: ### e-mail: ###
Technical Support	**SAP Solution Manager Contact (in case of connectivity problems between Licensor's SAP Solution manager and SAP Global Support backbone):** Name: Jake Sarbua Title: Phone: ### Mobile: ### e-mail: ###		

Escalation Contacts (24x7 hours):

	EMEA	APA	AMERICAS
Escalation Contact	Name: Jake Sarbua Title: Phone: ### Mobile: ### e-mail: ###	Name: Jake Sarbua Title: Phone: ### Mobile: ### e-mail: ###	Name: Jake Sarbua Title: Phone: ### Mobile: ### e-mail: ###

SCHEDULE 2
TO APPENDIX 4

LICENSE GRANT AND REQUIREMENTS FOR THE SAP SOLUTION MANAGER

1. For the Term of the Agreement, SAP grants Company the non-exclusive, worldwide, non-transferable limited right to use the SAP Solution Manager for the purposes of receiving, sending and processing Incidents from Joint Customers regarding the Company Solution.

2. Company will setup the SAP Solution Manager integration for Incident processing no later than (i) within thirty (30) days before the first RTC of the Company Solution following the Effective Date or (ii) as mutually agreed between the Parties if the Company Solution has no RTC date. Company will inform SAP and both Parties will jointly inform the Joint Customer(s) in writing when Company's SAP Solution Manager is set-up, integrated with SAP Global Support Backbone and fully operational.

3. Company is required to maintain correct master data for Joint Customers within Company's installation of the SAP Solution Manager. SAP is not responsible for the correct technical transmission and the corresponding transmission timeframes of the Incidents outside of SAP's own systems, nor is it responsible for any infrastructure not owned by SAP.

4. Company may not license, lease, loan, distribute or otherwise provide access to the SAP Global Support Backbone, the SAP Solution Manager, or any portion thereof, to any third party, unless expressly agreed to in writing in advance by SAP.

5. SAP is not responsible for the correct technical transmission and the corresponding transmission timeframes of the Incidents outside the SAP systems or for any infrastructure not owned by SAP.

SCHEDULE 3
TO APPENDIX 4

RESERVED

SCHEDULE 4
TO APPENDIX 4

APPLICABLE SAP SUPPORT STANDARDS FOR SUPPORT COLLABORATION WITH INTEGRATION PARTNERS

Version 3 as of July 2013.

The most recent version of this document can be found on the SAP Service Marketplace under www.service.sap.com/sw-partner

Preamble

This Schedule 4 defines the standards that are applicable to the SAP support process in general as part of SAP Enterprise and Standard level support.

"Company Software" shall mean Company Solution as set forth under the Agreement

1. **Definitions**

1.1 **"Action Plan**" shall mean a document or report created for the Joint Customer by the Party that is processing an Incident to describe the progress of a Corrective Action for an Incident including (i) description of next steps to be taken, by SAP, Company, Joint Customer or Joint Customer's partners with respective due dates to the extent possible, (ii) results of actions taken to date, (iii) date and time of next status update and a schedule of future activities to reach an Incident Remedy, and (iv) a list of responsible persons allocated by Company and/or SAP to the Incident Remedy.

1.2 **"Corrective Action**" shall mean an action which will provide Joint Customer with (i) Incident Remedy or at least with (ii) an Action Plan for the Parties involved in the Incident Remedy process.

1.3 **"Customer Action**" shall mean the status of an Incident which was handed over to Joint Customer for further activities to be executed by Joint Customer.

1.4 **"De-Escalation Taskforce**" shall mean a support team staffed by both SAP and Company to provide support at a Joint Customer location in response to an Escalated Situation and where an Incident Remedy cannot be provided remotely.

1.5 **"Escalated Situation**" shall mean any critical situation which has very serious consequences for normal business transactions of the Joint Customer, provided parties to this Attachment agree that the resolution of such situation requires additional attention by either or both parties.

1.6 **"Local Office Hours**" shall mean Company's regular working hours (e.g. 8.00 a.m. to 6.00 p.m.) during regular working days, in accordance with the corresponding public holidays.

1.7 **"Priority**" shall mean the level of priority assigned to Incidents and as defined in Section 2.8.

1.8 **"Processing Time**" shall mean the time period during which Company works on Incident Remedy for a single Incident. For Priority 1 Incidents the time is measured as real time (i.e. 24x7 hours). For all other Incident priorities, the time is measured in Local Office Hours. Processing Time does not include the time when (i) the Incident has the status "Customer Action" or "SAP Proposed Solution", or when (ii) the Incident has the status "Partner Action" and the action is not with the Company. Processing Time is split into Initial Reaction Time and time for Corrective Action as defined in Section 2.

1.9 **"Release to Customer (RTC)**" shall mean the date that marks the initial availability of a new release of SAP Software or Company Software to Joint Customer and the beginning of the restricted shipment phase.

1.10 **"SAP Proposed Solution**" shall mean SAP has provided 'Corrective Action" to Joint Customer.

1.11 **"Service Level Agreement**" or "**SLA**" shall mean the service level in accordance with definitions, procedures, and schedules as they are defined in Section 2.

1.12 **"Top Issue**" shall mean issues and/or failures identified and prioritized jointly by SAP and Company in accordance with SAP standards which (i) endanger Go-Live of a pre-production system or (ii) have a significant business impact on a productively used system.

2. Joint Obligations and Collaboration

2.1 SAP and Company shall process Incidents by performing their respective support tasks.

2.2 Qualified Response. SAP and Company agree to provide each other and Joint Customer with qualified responses to enable the Joint Customer to start with the resolution process for an Incident ("Qualified Response"). This Qualified Response shall be provided within the SLA for initial Reaction Time and shall cover information about the progress of the Incident Remedy, technical information about the Incident and information requests the other Party or Joint Customer has to provide.

2.3 Availability for Technical Support and Escalation. SAP and Company agree to provide to each other availability of their support organizations and senior support management for an Escalated Situation twenty-four hours a day and seven days a week (i.e. 24x7 hours).

2.4 Priority of Incidents. SAP and Company agree to apply the SAP standard definitions and categorizations for Incidents as they are defined by the Applicable SAP Support Standards in accordance with this Schedule 4.

2.5 Handling Priority of Incidents. SAP and Company agree that Company shall not modify the Priority of Incidents defined by Joint Customer. Company may however lower the Priority of an Incident (i) once Company has provided SAP and/or the Joint Customer with a workaround and (ii) if the Joint Customer and SAP consent to such change of the Incident Priority.

2.6 Measuring Processing Time and Incident Remedy.

2.6.1 SAP will monitor the Processing Time for Initial Reaction and Corrective Action by means of the SAP Global Support Backbone.

2.6.2 Processing Time for Company shall start with the receipt of an Incident by Company. Company shall confirm the incident receipt via SAP Global Support Backbone within the SLA for Initial Reaction Time.

2.6.3 Each party will work on Incident Remedy in close and direct cooperation and communication with the Joint Customer and keep the other party updated on the progress of the Incident Remedy.

2.7 SLA for Initial Reaction Time. “SLA for Initial Reaction Time” shall be deemed to be met if Company has given a Qualified Response within the defined time which is;

i. For Priority 1 Incidents measured as real time, meaning 24x7 hours (seven by twenty-four);

ii. For Priority 2 Incidents measured as per Company’s Local Office Hours.

2.8 SLA for Corrective Action. The SLA for Corrective Action shall be deemed to be met if, (i) within the Processing Time subsequent to the initial Reaction Time the Joint Customer was proposed an Incident Remedy (if a solution is provided system-based status confirmation will be provided via SAP Support Global Backbone), or if (ii) the Joint Customer has agreed to lower the Priority of the Incident.

2.9 SLA on Processing Times, Definition of Priorities and Response Time. Company agrees to process Incidents within the time-frames below (see Table 1). The respective period starts with the receipt of an Incident by Company

a) Company shall give SAP Qualified Response about the incident receipt and processing within the Initial Reaction Time set forth below.

b) Company shall use best efforts to solve the Incident within the SLA for Response Time set forth below.

c) The parties will monitor the Response Time.

2.10 Classification of Test Systems. Identical problem situations in test systems shall normally justify a Priority that is one level lower than the equivalent Priority in a Joint Customer's production system.

2.11 Company will give regular status updates on the Incident Remedy process in relation to the priority of the Incident: for Priority 2 at least once per business day, Priority 3 at least every second business day and Priority 4 at least at the end of the business week.

Table 1: Processing Times

Priority Of Customer Incident	Description	SLA for Initial Reaction Time	SLA for Corrective Action	SLA for Response time
Priority 1 (Very high)	An Incident is properly ascribed "Priority 1" if the Incident has very serious consequences for normal business transactions and urgent, business critical work cannot be performed. The Incident requires immediate processing because the malfunction can cause serious losses. This is generally caused by the following circumstances: • Complete system outage • Malfunctions of central SAP Software functions and/or Company Software in the production system • Top Issues	1 hour (24x7 hours)	4 hours (24x7 hours)	SLA for Corrective Action
Priority 2 (High)	An Incident is properly ascribed "Priority 2" if normal business transactions are seriously affected and necessary tasks cannot be performed. This is caused by incorrect or inoperable functions in the SAP systems and/or Company Software that are required to perform such transactions and/or tasks. The Incident requires immediate processing because the malfunction can seriously disrupt the entire productive business flow.	4 hours (Local Office Hours)	No	*4* business days (Local Office Hours)
Priority 3 (Medium)	An Incident is properly ascribed "Priority 3" if normal business transactions are affected. The Incident is caused by incorrect or inoperable functions in the SAP system and/or Company Software.	No days (Local		8 business Office Hours)
Priority 4 (Low)	An Incident is properly ascribed "Priority 4" if the Incident has few or no effects on normal business transactions. The problem is caused by incorrect or inoperable functions in the SAP systems and/or Company Software that are not required daily, or are rarely used.	No		16 business days

3. **Definition of the Support Process**

3.1 SAP will implement in the SAP Global Support Backbone a queue for the Company Software ("Company Support Component") to allow for this usage scenario. SAP will name this Company Support Component in the SAP Global Support Backbone in compliance with the SAP component naming conventions.

3.2 SAP will forward the Incident allocated to Company Support Component to Company's installation of the SAP Solution Manager for Incident Remedy by Company.

3.3 All communication between Joint Customer, SAP and Company shall be documented via SAP Global Support Backbone.

3.4 In case a Customer accidentally or incidentally uses the Company Support Component for an Incident related to SAP software, Company shall directly forward such Incident to the corresponding SAP support component. Forwarding of such Incidents to SAP must be performed in accordance with the Incident priorities defined in this Schedule.

3.5 Only Joint Customer takes the decision whether and when an Incident is successfully remedied and can close the Incident in the SAP Global Support Backbone.

4. **Escalation process and De-Escalation Taskforce**

4.1 Either party's escalation management shall monitor the support processes and co-operate closely with the other Party in any possible process with the goal to de-escalate and resolve the Joint Customer situation in a reasonable time.

4.2 A De-Escalation Taskforce will be set up if an issue related to the Company Software cannot be resolved remotely and where SAP and Company agree that only the cooperation of both can de-escalate such critical Joint Customer situation.

4.3 Company and SAP agree to support the other party for a De-Escalation Taskforce upon either party's reasonable request. Either party will make reasonable efforts to join the other party at the Joint Customer site within thirty-six (36) hours.

4.4 Parties agree to initially bear their own costs that might arise in case of De-Escalation Taskforce. Once the Escalated Situation is terminated, parties will mutually agree how costs will be allocated between the parties according to the results of the Root Cause Analysis of the Incident that lead to this escalation.

4.5 Parties commit to document in Technical Notes the solution provided to the Joint Customer once the Escalated Situation is closed.

4.6 Each Party will exchange with the other party the final reports summarizing the actions taken and results of these actions, likelihood of problem recurrence and recommended future actions.

4.7 Parties may close a De-Escalation Taskforce upon mutual agreement.

5. **Definition of Support Tasks**

5.1 Support Tasks of First Level Support

"First Level Support" includes Joint Customer and application management help desk services as follows:

(1) Receive Incident messages from Joint Customer — comprehensive problem description

(2) Translate non-English Incident message into English

(3) Check information provided by the Joint Customer (including correct/missing/wrong information)

(4) Check the Priority based on the given definition (see Table 1)

(5) Check the specific Support Component in SAP Global Support Backbone

(6) Assign problem record to a specific Support Component in SAP Global Support Backbone for follow-up by SAP's service and support organization.

(7) Check functionality of Joint Customer's remote connection.

(8) Search in support database (e.g. Technical Notes and Joint Customer messages)

(9) Summarize status before forwarding to next level, if required

5.2 Support Tasks of Second Level Support

"Second Level Support" is based on SAP Solution Manager Diagnostics and focuses on the Root Cause Analysis including the following tasks:

(1) Verify Joint Customer's system customization

(2) Access Joint Customer's system, if necessary for problem analysis

(3) Analyze dumps, write traces and reproduce problems

(4) Provide workaround, if possible

(5) Create and modify Technical Notes

(6) Provide Joint Customer with Incident Remedy or workaround

(7) Provide Joint Customer for Priority 1 Incidents with Incident Remedy or Action Plan within SLA for Corrective Action.

(8) Summarize status before forwarding to next support level, if required

5.3 Support Tasks of Third Level Support

(1) Check if Incident is definitely caused by the Company Software.

(2) Analyze in detail all recorded traces and error messages received from Joint Customer

(3) Create Technical Note for selected Incidents regarding:

a) the identified cause of the defect

b) the process of the incident Remedy with all requested information and material (e.g. bug fixes, patches, description of workarounds)

(4) Specify expected duration to fix the Incident by Incident Remedy.

(5) Recommendations for potential workarounds

(6) Access Joint Customer's system via remote access (e.g. SAP Support Network):

a) to analyze the Joint Customer's system regarding the Incident

b) to advise how to implement a workaround recommendation

(7) Provide SAP and/or Joint Customer with Updates for the Company Software

6. **SAP support and escalation contacts**

6.1 General information

This section contains information about the support and escalation contacts at SAP. Any new versions will be made available on SAP Service Marketplace (https://service.sap.com/sw-partner) and will supersede this version. This information is for SAP and Company Confidential (under no circumstances it should be shared with Joint Customer).

6.2 SAP's support contacts

6.2.1 SAP Global Partner Support

In order to fulfill SAP's obligation and SLA within SAP Enterprise Support and other support models with Joint Customer for third party software solutions, SAP operates "SAP Global Partner Support Centers".

SAP Global Partner Support Centers (SAP GPS) are located in Dublin (IR), Rot (DE), and Dresden (DE) for EMEA, Newtown Square (US) for Americas, and Dalian (CN) for APJ.

An SAP Supportability Lab for partner solutions has been established in Newtown Square.

For Incident management issues, including message solving, Company may also contact SAP GPS on-duty queue manager via e-mail to "SAP GPS 24x7 duty" (mailto:sap global partner supportsap.com) for further assistance.

For general topics or questions, Company may contact SAP via e-mail at E2Esolutionoperationsasap.com.

6.2.2 SAP's Escalation Contacts

To request an Escalated Situation, Company shall contact a Customer Interaction Center of SAP (contact data can be found at https://service.sap.com/supportcenters).

For information about requesting an Escalated Situation and providing details of how the issue is impacting the business of Joint Customer, see SAP Note 90835 at https://service.sap.com/notes.

An Escalated Situation is justified in critical cases only. Failure to provide detailed information on how this issue is impacting the business of Joint Customer will result in the request being denied.

6.2.3 SAP Global Partner Support

In case Company is not satisfied with First Level and Second Level support (as appropriate) provided by SAP Global Partner Support, Company may escalate the case to SAP GPS on-duty queue manager via e-mail to sap global partner supportsap.com which is monitored 24x7 hours. When sending an e-mail on this topic, please copy Hugh Robertson (###).

APPENDIX 5
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

SAP ENTERPRISE SUPPORT

This Appendix governs the provision of support services by SAP as further defined herein ("SAP Enterprise Support") for all SAP software licensed by Company under the Agreement (hereinafter collectively referred to as the "Enterprise Support Solutions"), excluding software to which special support agreements apply.

1. Definitions

If not set forth otherwise hereunder, the definitions set forth under the Agreement shall also apply to this Appendix 5. For the purposes of this Appendix, the following additional definitions shall apply:

1.1 **"Go-Live"** marks the point in time from when, after implementation of Enterprise Support Solution or an upgrade of Enterprise Support Solution, the Enterprise Support Solution can be used by Company for processing real data in live operation mode and for running Company's business in accordance with the Agreement.

1.2 **"Company Solution**" shall mean Enterprise Support Solutions and any other software licensed by Company from third parties provided such third-party software is operated in conjunction with Enterprise Support Solutions.

1.3 **"Production System"** shall mean a live SAP system used for normal business operations and where Company's data is recorded.

1.4 **"SAP Software Solution(s)**" shall mean a group of one or multiple Production Systems running Company Solutions and focusing on a specific functional aspect of Company's business. Details and examples can be found on the SAP Service Marketplace.

1.5 **"Service Session"** shall mean a sequence of support activities and tasks carried out remotely to collect further information on an incident by interview or by analysis of a Production System resulting in a list of recommendations. A Service Session could run manually, as a self-service or fully automated.

1.6 **"Top-Issue"** shall mean issues and/or failures identified and prioritized jointly by SAP and Company in accordance with SAP standards which (i) endanger Go-Live of a pre-production system or (ii) have a significant business impact on a Production System.

1.7 **"Local Office Time"** shall mean regular working hours (8.00 a.m. to 6.00 p.m.) during regular working days, in accordance with the applicable public holidays observed by SAP's registered office. With regard to SAP Enterprise Support only, both Parties can mutually agree upon a different registered office of one of SAP's affiliates to apply and serve as reference for the Local Office Time.

2. Scope of SAP Enterprise Support.

Company may request SAP Enterprise Support services and SAP shall provide, to such degree as SAP makes such services generally available in the specific territory.

SAP Enterprise Support currently includes:

Continuous Improvement and Innovation

- New software releases of the licensed Enterprise Support Solutions, as well as tools and procedures for upgrades.
- Support packages—correction packages to reduce the effort of implementing single corrections. Support packages may also contain corrections to adapt existing functionality to changed legal and regulatory requirements.
- For releases of the SAP Business Suite 7 core applications (starting with SAP ERP 6.0 and with releases of SAP CRM 7.0, SAP SCM 7.0, SAP SRM 7.0 and SAP PLM 7.0 shipped in 2008), SAP provides enhanced functionality and/or innovation through enhancement packages or by other means as available. During mainstream maintenance for an SAP core application release, SAP may provide one enhancement package or other update per calendar year.
- Technology updates to support third-party operating systems and databases. Details on SAP's release strategy and recommendations for technology updates for SAP's enhancement packages can be found on the SAP Service Marketplace.
- Available ABAP source code for Software applications and additionally released and supported function modules.
- Software change management, such as changed configuration settings or Software upgrades, is supported, currently through content and information material, tools for client copy and entity copy, and tools for comparing customization.
- SAP provides Company with up to five days remote support services per calendar year from SAP solution architects to assist Company in evaluating the innovation capabilities of the latest SAP enhancement package and how it may be deployed for Company's business process requirements. SAP and Company shall schedule such service as mutually agreed.
- Configuration guidelines and content for Software is usually shipped via SAP Solution Manager (see also SAP's product standard "SAP Business Solution Configuration Standard").

- Best practices for SAP System Administration and SAP Solution Operations for Software.
- SAP configuration and operation content is supported as integral parts of Software.
- Content, tools and process descriptions for SAP Lifecycle Management are part of the SAP Solution Manager, the Software and/or the applicable Documentation for the Software

Advanced Support for Enhancement Packages and other SAP Software Updates

SAP offers special remote checks delivered by SAP solution experts to analyze planned or existing modifications and identify possible conflicts between Company custom code and enhancement packages and other software updates. Each check is conducted for one specific modification in one of Company's core business process steps. Company is entitled to receive two out of the following services per calendar year per SAP Software Solution.

- Modification Justification: Based on Company's provision of SAP required documentation of the scope and design of a planned or existing custom modification in SAP Solution Manager, SAP identifies standard functionality of Software which may fulfill the Company's requirements (for details see http://service.sap.com/).
- Custom Code Maintainability: Based on Company's provision of SAP required documentation of the scope and design of a planned or existing custom modification in SAP Solution Manager, SAP identifies which user exits and services may be available to separate custom code from SAP code (for details see http://service.sap.com/).

Global Support Backbone

- SAP Service Marketplace—SAP's knowledge database and SAP's extranet for knowledge transfer on which SAP makes available content and services to customers and partners of SAP only.
- SAP Notes on the SAP Service Marketplace document software errors and contain information on how to remedy, avoid and bypass errors. SAP Notes may contain coding corrections that customers can implement into their SAP system. SAP Notes also documents related issues, customer questions, and recommended solutions (e.g. customizing settings).
- SAP Note Assistant—a tool to install specific corrections and improvements to SAP components.
- **SAP Solution Manager—**as described in Section 2.4

Mission Critical Support

- Global message handling by SAP for problems related to Enterprise Support Solutions (excluding software to which special support agreements apply), including Service Level Agreements for Initial Reaction Time and Corrective Action (for more information refer to Section 2.1.1).
- SAP Support Advisory Center — as described in Section 2.2.
- Continuous Quality Checks — as described in Section 2.3.
- Global 24x7 Root Cause Analysis and escalation procedures in accordance with Section 2.1.1 below.
- Root Cause Analysis for Custom Code: For Company custom code built with the SAP development workbench, SAP provides Mission-Critical support Root-Cause Analysis, according to the Service Level Agreement stated in Section 2.1.1 applicable for Priority “Very High” and priority “High” messages. If the Company custom code is documented according to SAP’s then-current standards (for details see http://service.sap.com/), SAP may provide guidance to assist Company in issue resolution

Other Components, Methodologies, Content and Community Participation

- Monitoring components and agents for systems to monitor available resources and collect system status information of the Enterprise Support Solutions (e.g. Early Watch Alert).
- Pre-configured test templates and test cases are usually delivered via the SAP Solution Manager. In addition the SAP Solution Manager assists Company’s testing activities with functionalities that currently include:
  - Test administration for Software by using the functionality provided as part of the SAP Solution Manager
  - Quality Management for management of “Quality-Gates”
  - SAP-provided tools for automatic testing
  - SAP-provided tools to assist with optimizing regression test scope. Such tools support identifying the business processes that are affected by a planned Software change and make recommendations for the test scope as well as generating test plans (for details see http://service.sap.com/).
- Content and supplementary tools designed to help increase efficiency, which may include implementation methodologies and standard procedures, an Implementation Guide (IMG) and Business Configuration (BC) Sets.

- Access to guidelines via the SAP Service Marketplace, which may include implementation and operations processes and content designed to help reduce costs and risks. Such content currently includes:
  - End-to-End Solution Operations: Assists Company with the optimization of the end-to-end operations of Company's SAP Software Solution.
  - Run SAP Methodology: Assists Company with application management, business process operations, and administration of the SAP NetWeavere technology platform, and currently includes:
    - The SAP standards for solution operations
    - The road map of Run SAP to implement end-to-end solution operations
    - Tools, including the SAP Solution Manager application management solution
  - For more information on the Run SAP methodology, refer to http://service.sap.com/runsap
- Participation in SAP's customer and partner community (via SAP Service Marketplace), which provides data about best business practices, service offerings, etc.

2.1 Global Message Handling and Service Level Agreement (SLA).

When Company reports malfunctions, SAP supports Company by providing information on how to remedy, avoid and bypass errors. The main channel for such support will be the support infrastructure provided by SAP. Company may send an error message at any time. All persons involved in the message solving process can access the status of the message at any time.

In exceptional cases, Company may also contact SAP by telephone. For such contact (and as otherwise provided) SAP requires that License provide remote access as specified in Section 3.2(iii).

The following Service Level Agreements ("SLA" or "SLAs") shall apply to all Company support messages that SAP accepts as being Priority I or 2 and which fulfill the prerequisites specified herein. Such SLAs shall commence in the first full Calendar Quarter following the Effective Date of this Appendix. As used herein, "Calendar Quarter" is the three month period ending on March 31, June 30, September 30 and December 31 respectively of any given calendar year.

2.1.1 SLA for Initial Response Times:

a. Priority 1 Support Messages ("Very High"). SAP shall respond to Priority I support messages within one **(**1**)** hour of SAP's receipt (twenty-four hours a day, seven days a week) of such Priority 1 support messages. A message is assigned Priority I if the problem has very serious consequences for normal business transactions and urgent, business critical work cannot be performed. This is generally caused by the following circumstances: complete system outage, malfunctions of central SAP functions in the Production System, or Top-Issues.

b. Priority 2 Support Messages ("High"). SAP shall respond to Priority 2 support messages within four (4) hours of SAP's receipt during SAP's Local Office Time of such Priority 2 support messages. A message is assigned Priority 2 if normal business transactions in a Production System are seriously affected and necessary tasks cannot be performed. This is caused by incorrect or inoperable functions in the SAP systems that are required to perform such transactions and/or tasks.

2.1.2 SLA for Corrective Action Response Time for Priority 1 Support Messages: SAP shall provide a solution, work around or action plan for resolution ("Corrective Action") of Company's Priority 1 support message within four (4) hours of SAP's receipt (twenty-four hours a day, seven days a week) of such Priority 1 support message ("SLA for Corrective Action"). In the event an action plan is submitted to Company as a Corrective Action, such action plan shall include: (i) status of the resolution process; (ii) planned next steps, including identifying responsible SAP resources; (iii) required Company actions to support the resolution process; (iv) to the extent possible, due dates for SAP's actions; and (v) date and time for next status update from SAP. Subsequent status updates shall include a summary of the actions undertaken so far; planned next steps; and date and time for next status update. The SLA for Corrective Action only refers to that part of the processing time when the message is being processed at SAP ("Processing Time"). Processing Time does not include the time when the message is on status "Partner Action", "Customer Action" or "SAP Proposed Solution", whereas (a) the status Partner Action means the support message was handed over to a technology or software partner of SAP or a third-party vendor of SAP for further processing; (b) the status Customer Action means the support message was handed over to Company; and (c) the status SAP Proposed Solution means SAP has provided a Corrective Action as outlined herein. The SLA for Corrective Action shall be deemed met if within four (4) hours of processing time: SAP proposes a solution (status "SAP Proposed Solution"), a workaround or an action plan; or if Company agrees to reduce the priority level of the message.

2.1.3 Prerequisites and Exclusions.

2.1.3.1 Prerequisites. The SLAs shall only apply when the following prerequisites are met for all support messages: (i) support messages are related to releases of Enterprise Support Solutions which are classified by SAP with the shipment status "unrestricted shipment"; (ii) support messages are submitted by Company in English via the SAP Solution Manager software in accordance with SAP's then current support message processing log-in procedure which contain the relevant details necessary (as specified in SAP Note 16018 or any future SAP Note which replaces SAP Note 16018) for SAP to take action on the reported error; (iii) support messages are related to a product release of Enterprise Support Solutions which falls into Mainstream Maintenance or Extended Maintenance. For Priority I support messages, the following prerequisites must be fulfilled by Company: (a) the issue and its business impact are described in detail sufficient to allow SAP to assess the issue; (b) Company makes available for communications with SAP, twenty four (24) hours a day, seven (7) days a week, an English speaking contact person with training and knowledge sufficient to aid in the resolution of the Priority I message consistent with Company's obligations hereunder; and (c) a Company contact person is provided for opening a remote connection to the system and to provide necessary log-on data to SAP.

2.1.3.2 Exclusions. For SAP Enterprise Support the following types of Priority 1 messages are excluded from the SLAs: (i) support messages regarding a release, version and/or functionalities of Enterprise Support Solutions developed specifically for Company (including without limitation those developed by SAP Custom Development and/or by SAP subsidiaries) except for custom code built with the SAP development workbench; (ii) support messages regarding country versions that are not part of the Enterprise Support Solutions and instead are realized as partner add-ons, enhancements, or modifications is expressly excluded even if these country versions were created by SAP or an associated organization; (iii) the root cause behind the support message is not a malfunction, but a missing functionality ("development request") or the support message is ascribed to a consulting request

2.1.4 Service Level Credit.

2.1.4.1 SAP shall be deemed to have met its obligations pursuant to the SLAs as stated above by reacting within the allowed time frames in ninety-five percent {95%) of the aggregate cases for all SLAs

within a Calendar Quarter. In the event Company submits less than twenty (20) messages (in the aggregate for all SLAs) pursuant to the SLAs stated above in any Calendar Quarter during the Enterprise Support term, Company agrees that SAP shall be deemed to have met the its obligations pursuant to the SLAs stated above if SAP has not exceeded the stated SLA time-frame in more than one support message during the applicable Calendar Quarter.

2.1.4.2 Subject to Section 2.1.4.1 above, in the event that the timeframes for the SLA's are not met (each a "Failure"), the following rules and procedures shall apply: (i) Company shall inform SAP in writing of any alleged Failure; (ii) SAP shall investigate any such claims and provide a written report proving or disproving the accuracy of Company's claim; (iii) Company shall provide reasonable assistance to SAP in its efforts to correct any problems or processes inhibiting SAP's ability to reach the SLAs; (iv) subject to this Section 2.1.4, if based on the report, an SAP Failure is proved, SAP shall apply a Service Level Credit ("SLC") to Company's next SAP Enterprise Support Fee invoice equal to one quarter percent (0.25%) of Company's SAP Enterprise Support Fee for the applicable Calendar Quarter for each Failure reported and proved, subject to a maximum SLC cap per Calendar Quarter of five percent (5%) of Company's SAP Enterprise Support Fee for such Calendar Quarter. Company bears the responsibility of notifying SAP of any SLCs within thirty (30) days after the end of a Calendar Quarter in which a Failure occurs. No penalties will be paid unless notice of Company's claim for SLC(s) is received by SAP in writing. The SLC stated in this Section 2.1.4 is Company's sole and exclusive remedy with respect to any alleged or actual Failure.

2.2 **SAP Support Advisory Center**. For Priority 1 and Top-Issues directly related to the Enterprise Support Solutions, SAP shall make available a global unit within SAP's support organization for mission critical support related requests (the "Support Advisory Center"). The Support Advisory Center will perform the following mission critical support tasks: (i) remote support for Top-Issues — the Support Advisory Center will act as an additional escalation level, enabling 24X7 Root Cause Analysis for problem identification; (ii) Continuous Quality Check service delivery planning in collaboration with Company's IT, including scheduling and delivery coordination; (iii) provides one SAP Enterprise Support report on request per calendar year; (iv) remote primary certification of the SAP Customer Center of Expertise if requested by Company; and (v) providing guidance in cases in which Continuous Quality Checks (as defined in Section 2.3 below), an action plan and/or written recommendations of SAP show a critical status (e.g. a red CQC report) of the Enterprise Support Solution.

As preparation for the Continuous Quality Check delivery through SAP Solution Manager, Company's Contact Person and SAP shall jointly perform one mandatory setup service ("Initial Assessment") for the Enterprise Support Solutions. The Initial Assessment shall be based upon SAP standards and documentation.

The designated SAP Support Advisory Center will be English speaking and available to Company's Contact Person (as defined below) or its authorized representative twenty-four hours a day, seven days a week for mission critical support related requests. The available local or global dial-in numbers are shown in SAP Note 560499.

The Support Advisory Center is only responsible for the above mentioned mission critical support related tasks to the extent these tasks are directly related to issues or escalations regarding the Enterprise Support Solutions.

2.3 SAP Continuous Quality Check. In case of critical situations related to the SAP Software Solution (such as Go Live, upgrade, migration or Top Issues), SAP will provide at least one Continuous Quality Check (the "Continuous Quality Check" or "CQC") per calendar year for each SAP Software Solution.

The CQC may consist of one or more manual or automatic remote Service Sessions. SAP may deliver further CQC's in cases where vital alerts reported by SAP EarlyWatch Alert or in those cases where Company and the SAP Advisory Center mutually agree that such a service is needed to handle a Top-Issue. Details, such as the exact type and priorities of a CQC and the tasks of SAP and cooperation duties of Company, shall be mutually agreed upon between the Parties. At the end of a CQC, SAP will provide Company with an action plan and/or written recommendations.

Company acknowledges that all or part of the CQC sessions may be delivered by SAP and/or a certified SAP partner acting as SAP's subcontractor and based on SAP's CQC standards and methodologies. Company agrees to provide appropriate resources, including but not limited to equipment, data, information, and appropriate and cooperative personnel, to facilitate the delivery of CQC's hereunder.

Company acknowledges that SAP limits CQC re-scheduling to a maximum of three times per year. Re-scheduling must take place at least (five) 5 working days before the planned delivery date. If Company fails to follow these guidelines, SAP is not obliged to deliver the yearly CQC to the Company.

2.4 SAP Solution Manager.

SAP Solution Manager shall be subject to the Agreement and is for the following purposes only: (i) delivery of SAP Enterprise Support and support services for Company Solution including delivery and installation of software and technology maintenance for Enterprise Support Solutions; (ii) the operation of a service desk for Enterprise Support Solutions and remote diagnostic tools for Company Solutions; (iii)

application management for Company Solutions including implementation, testing, change request management, operations and continuous improvement for Enterprise Support Solutions; and; (iv) administration, monitoring and reporting for Company Solution. The use for the SAP Solution Manager is limited to the Company Solutions only.

SAP Solution Manager is subject to the usage rights granted in the Agreement and may not be used for any other purposes than those specified herein. The right to use any SAP Solution Manager capabilities other than those above is subject to a separate written agreement with SAP, even if such capabilities are contained in or related to SAP Solution Manager.

3. Company's Responsibilities.

3.1 **SAP Enterprise Support Program Management**. In order to receive SAP Enterprise Support hereunder, Company shall designate a qualified English speaking contact within its SAP Customer Center of Expertise for the Support Advisory Center (the "Contact Person") and shall provide contact details (in particular e-mail address and telephone number) by means of which the Contact Person or the authorized representative of such Contact Person can be contacted at any time. Company's Contact Person shall be Company's authorized representative empowered to make necessary decisions for Company or bring about such decision without undue delay.

Contact Person Name	Postal Address	Email Address	Desk Telephone Number	Mobile Telephone Number
Luke Weiss	21300 Victory Blvd., 12th Floor, Woodland Hills, CA 91367, USA	###	###	###

3.2 Other Requirements. In order to receive SAP Enterprise Support hereunder, Company must:

(i) Continue to pay all Enterprise Support Service Fees in accordance with the Agreement.

(ii) Otherwise fulfill its obligations under the Agreement and this Appendix.

(iii) Provide and maintain remote access via a technical standard procedure as defined by SAP and grant SAP all necessary authorizations, in particular for problem analysis as part of message handling. Such remote access shall be granted without restriction regarding the nationality of the SAP employee(s)

who process support messages or the country in which they are located. Company acknowledges that failure to grant access may lead to delays in message handling and the provision of corrections, or may render SAP unable to provide help in an efficient manner. The necessary software components must also be installed for support services. For more details, see SAP Note 91488.

(iv) Establish and maintain an SAP certified Customer COE meeting the requirements specified in Section 4 below within twelve months of the Effective Date of this Appendix.

(v) Have installed, configured and be using productively, an SAP Solution Manager Software system, with the latest patch levels for Basis, ABAP, and the latest SAP Solution Manager Software support packages.

(vi) Activate SAP EarlyWatch Alert for the Production Systems and transmit data to Company's productive SAP Solution Manager system. See SAP Note 1257308 for information on setting up this service.

(vii) Perform the Initial Assessment as described in Section 2.2 and implement all the recommendations of SAP classified as mandatory.

(viii) Establish a connection between Company's SAP Solution Manager Software installation and SAP and a connection between the Company Solutions and Company's SAP Solution Manager Software installation. Company shall maintain the solution landscape in Company's SAP Solution Manager Software system for all Production Systems and systems connected to the Production Systems. Company shall maintain the Software Solutions and core business processes in Company's SAP Solution Manager Software system at least for the Production Systems. Company shall document any implementation or upgrade projects in Company's SAP Solution Manager Software system.

(ix) To fully enable and activate the SAP Solution Manager, Company shall adhere to the applicable documentation.

(x) Company agrees to maintain adequate and current records of all Modifications and, if needed, promptly provide such records to SAP.

4. Customer Center of Expertise.

4.1 Role of the Customer Center of Expertise. In order to leverage the full potential value delivered as part of SAP Enterprise Support, Company is required to establish a Customer Center of Expertise ("Customer Center of Expertise", or "Customer COE"). The Customer COE is designated by Company as a central point of contact for interaction with the SAP support organization. As a permanent center of expertise, the Customer COE supports Company's efficient implementation, innovation, operation

and quality of business processes and systems related to the SAP Software Solution based on the Run SAP methodology provided by SAP (for more information on the Run SAP methodology, refer to http://service.sap.com/runsap). The Customer COE should cover all core business process operations. SAP recommends starting the implementation of the Customer COE as a project that runs in parallel with the functional and technical implementation projects.

4.2 Basic Functions of the Customer COE. The Customer COE must fulfill the following basic functions:

- Support Desk: Set-up and operation of a support desk with a sufficient number of support consultants for infrastructure/application platforms and the related applications during regular local working hours (at least 8 hours a day, 5 days (Monday through Friday) a week). Company support process and skills will be jointly reviewed in the framework of the service planning process and the certification audit.
- Contract administration: Contract and license processing in conjunction with SAP (license audit, maintenance billing, release order processing, user master and installation data management).
- Coordination of innovation requests: Collection and coordination of development requests from the Company and/or any of its affiliates provided such affiliates are entitled to use the SAP Software under the Agreement. In this role the Customer COE shall also be empowered to function as an interface to SAP to take all action and decisions needed to avoid unnecessary modification of Software and to ensure that planned modifications are in alignment with the SAP software and release strategy.
- Information management: Distribution of information (e.g. internal demonstrations, information events and marketing) about Software and the Customer COE within the Company’s organization.
- CQC Planning: Company regularly engages in a service planning process with SAP. The service planning starts during the initial implementation and will then be continued regularly.

4.3 RESERVED

5. **Enterprise Support Fees**. SAP Enterprise Support Fees shall be paid annually in advance and shall be specified in Appendices to the Agreement. SAP Enterprise Support offered by SAP may be changed annually by SAP at any time upon three months prior written notice. After the initial term, the Enterprise Support Fees and any limitations on increases are subject to Company’s compliance with the Customer COE requirements specified above.

6. **Termination**. After the initial term, Enterprise Support may be terminated by either Party with ninety (90) days written notice prior to the start of the following renewal period. Any termination will be effective at the end of the then-current Enterprise Support period during which

the termination notice is received by SAP. Notwithstanding the forgoing, SAP may terminate Enterprise Support after thirty days written notice of Company's failure to pay Enterprise Support Fees. For the avoidance of any doubt, termination of Enterprise Support by Company under this Section shall strictly apply to all licenses under the Agreement, its appendices, schedules and addenda and any partial termination of Enterprise Support by Company shall not be permitted in respect of any part of the Agreement, its appendices, schedules, addenda or this Appendix.

7. Changes to Company Information. In order to receive SAP Enterprise Support hereunder, Company undertakes to inform SAP without undue delay of any changes to Company's installations and Named Users and all other information relevant to the Enterprise Support Solutions. To ensure compliance with the terms of this Appendix, SAP shall be entitled to periodically monitor (i) the correctness of the information Company provided and (ii) Company's usage of the Solution Manager in accordance with the rights and restrictions set out in Section 2.4.

8. Reinstatement. In the event Company elects not to commence SAP Enterprise Support upon the first day of the month following initial delivery of the Software, or SAP Enterprise Support is otherwise terminated pursuant to Section 6 above or declined by Company for some period of time, and is subsequently requested or reinstated, SAP will invoice Company the accrued SAP Enterprise Support Fees associated with such time period plus a reinstatement fee.

9. **Other Terms and Conditions**.

9.1 In order to receive SAP Enterprise Support hereunder, Company shall have obtained all licenses for the Company Solutions.

9.2 In the event that Company is entitled to receive one or more services per calendar year, (i) Company shall not be entitled to receive such services in the first calendar year if the Effective Date of this Appendix is after September 30 and (ii) Company shall not be entitled to transfer a service to the next year if Company has not utilized such service.

9.3 FAILURE TO UTILIZE SAP ENTERPRISE SUPPORT PROVIDED BY SAP MAY PREVENT SAP FROM BEING ABLE TO IDENTIFY AND ASSIST IN THE CORRECTION OF POTENTIAL PROBLEMS WHICH, IN TURN, COULD RESULT IN UNSATISFACTORY SOFTWARE PERFORMANCE.

9.4 In the event SAP licenses third-party software to Company under the Agreement, SAP shall provide Enterprise Support on such third-party software to the degree the applicable third-party makes such Enterprise Support available to SAP. Company may be required to upgrade to more recent versions of its operating systems and databases to receive SAP Enterprise Support. If the respective vendor offers an extension of support for its product, SAP may offer such extension of support under a separate written agreement for an additional fee.

9.5 SAP Enterprise Support is provided according to the current maintenance phases of SAP Software releases as stated in http://service.sap.com/releasestrategy.

APPENDIX 6
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

RESERVED

APPENDIX 7
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

COMPANY LICENSE

Test & Demo License for Company Solution

1. Company grants SAP the right to access the Company Solution for the purpose of testing the interoperability between SAP Software and the Company Solution. In each instance, such access shall be subject to the Master Subscription Agreement for the Company Solution signed by SAP and Company.

2. Subject to the terms and conditions of the Master Subscription Agreement between SAP and Company, Company grants SAP the right to access the Company Solution for the purpose of enabling SAP to demonstrate the joint solution to potential customers.

3. Company and SAP agree that the rights granted in this Appendix shall be free of charge.

APPENDIX 8
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

ENTITY EXCLUSION LIST

For sales of the Company Solution that are completed after the Effective Date of the Agreement as a result of the previously submitted sales proposals identified below, SAP shall not be entitled to receive SAP License Royalties under Appendix 3 provided that the agreement for the sale of the Company Solution is completed (and any necessary order is submitted) prior to the expiration of the validity period indicated below.

For avoidance of doubt, SAP shall be entitled to receive the SAP License Royalty prescribed by Appendix 3 of this Agreement for a sale of the Company Solution under any of the proposals identified below if the agreement for the sale of the Company Solution is fully executed after the applicable validity period (see below).

Full Customer Name	Validity Period
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]
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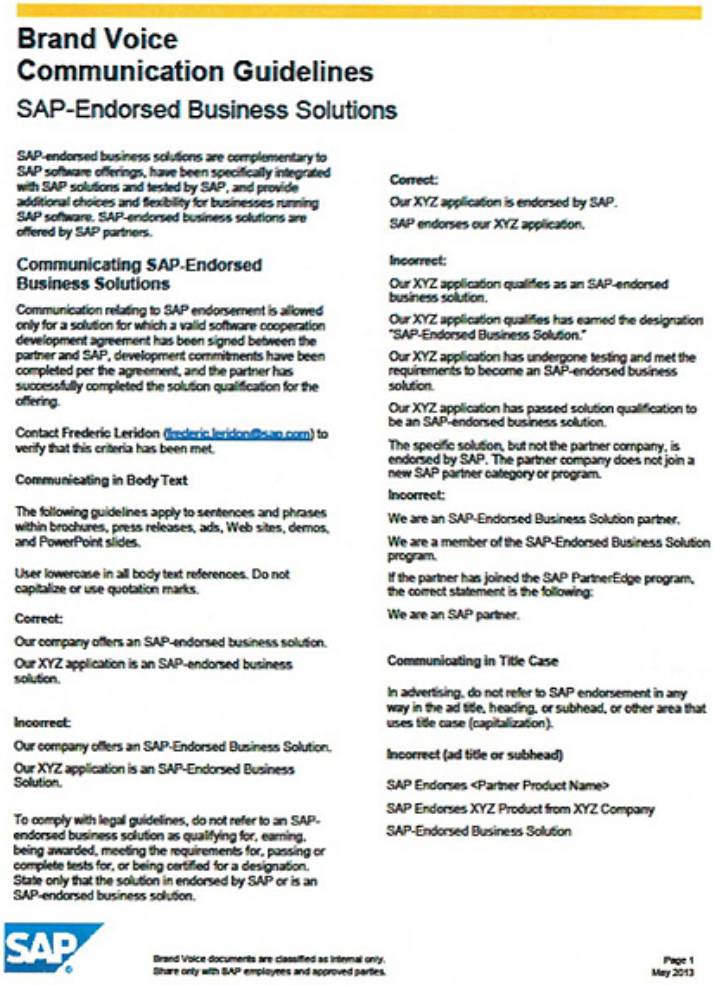
APPENDIX 9
TO THE
SOFTWARE DEVELOPMENT COOPERATION AGREEMENT

SAP GUIDELINES REGARDING SAP-ENDORSED BUSINESS SOLUTION
(EBS)

CONFIDENTIAL



Brand Voice
Communication Guidelines
SAP-Endorsed Business Solutions

SAP-endorsed business solutions are complementary to SAP software offerings, have been specifically integrated with SAP solutions and tested by SAP, and provide additional choices and flexibility for businesses running SAP software. SAP-endorsed business solutions are offered by SAP partners.

Communicating SAP-Endorsed Business Solutions

Communication relating to SAP endorsement is allowed only for a solution for which a valid software cooperation development agreement has been signed between the partner and SAP, development commitments have been completed per the agreement, and the partner has successfully completed the solution qualification for the offering.

Contact Frederic Leridon ([redacted]) to verify that this criteria has been met.

Communicating in Body Text

The following guidelines apply to sentences and phrases within brochures, press releases, ads, Web sites, demos, and PowerPoint slides.

User lowercase in all body text references. Do not capitalize or use quotation marks.

Correct:

Our company offers an SAP-endorsed business solution.

Our XYZ application is an SAP-endorsed business solution.

Incorrect:

Our company offers an SAP-Endorsed Business Solution.

Our XYZ application is an SAP-Endorsed Business Solution.

To comply with legal guidelines, do not refer to an SAP-endorsed business solution as qualifying for, earning, being awarded, meeting the requirements for, passing or complete tests for, or being certified for a designation. State only that the solution in endorsed by SAP or is an SAP-endorsed business solution.

Correct:

Our XYZ application is endorsed by SAP.

SAP endorses our XYZ application.

Incorrect:

Our XYZ application qualifies as an SAP-endorsed business solution.

Our XYZ application qualifies has earned the designation "SAP-Endorsed Business Solution."

Our XYZ application has undergone testing and met the requirements to become an SAP-endorsed business solution.

Our XYZ application has passed solution qualification to be an SAP-endorsed business solution.

The specific solution, but not the partner company, is endorsed by SAP. The partner company does not join a new SAP partner category or program.

Incorrect:

We are an SAP-Endorsed Business Solution partner.

We are a member of the SAP-Endorsed Business Solution program.

If the partner has joined the SAP PartnerEdge program, the correct statement is the following:

We are an SAP partner.

Communicating in Title Case

In advertising, do not refer to SAP endorsement in any way in the ad title, heading, or subhead, or other area that uses title case (capitalization).

Incorrect (ad title or subhead)

SAP Endorses <Partner Product Name>

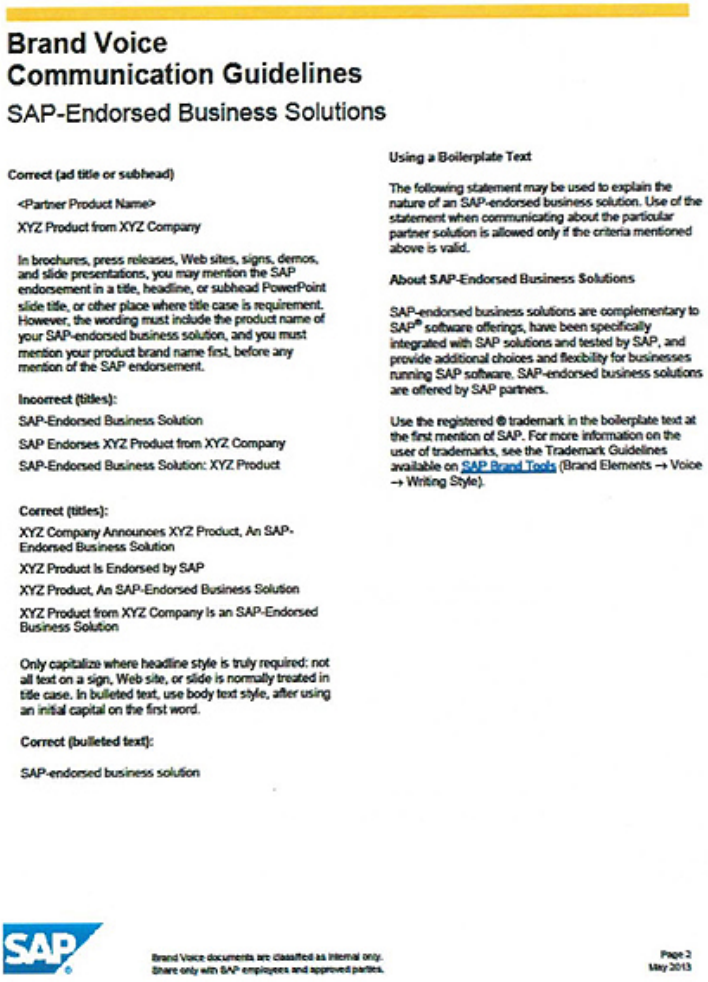
SAP Endorses XYZ Product from XYZ Company

SAP-Endorsed Business Solution

SAP

Brand Voice documents are classified as internal only.
Share only with SAP employees and approved parties.

Page 1
May 2013



Brand Voice
Communication Guidelines
SAP-Endorsed Business Solutions

Correct (ad title or subhead)

<Partner Product Name>

XYZ Product from XYZ Company

In brochures, press releases, Web sites, signs, demos, and slide presentations, you may mention the SAP endorsement in a title, headline, or subhead PowerPoint slide title, or other place where title case is requirement. However, the wording must include the product name of your SAP-endorsed business solution, and you must mention your product brand name first, before any mention of the SAP endorsement.

Incorrect (titles):

SAP-Endorsed Business Solution

SAP Endorses XYZ Product from XYZ Company

SAP-Endorsed Business Solution: XYZ Product

Correct (titles):

XYZ Company Announces XYZ Product, An SAP-Endorsed Business Solution

XYZ Product Is Endorsed by SAP

XYZ Product, An SAP-Endorsed Business Solution

XYZ Product from XYZ Company Is an SAP-Endorsed Business Solution

Only capitalize where headline style is truly required: not all text on a sign, Web site, or slide is normally treated in title case. In bulleted text, use body text style, after using an initial capital on the first word.

Correct (bulleted text):

SAP-endorsed business solution

Using a Boilerplate Text

The following statement may be used to explain the nature of an SAP-endorsed business solution. Use of the statement when communicating about the particular partner solution is allowed only if the criteria mentioned above is valid.

About SAP-Endorsed Business Solutions

SAP-endorsed business solutions are complementary to SAP® software offerings, have been specifically integrated with SAP solutions and tested by SAP, and provide additional choices and flexibility for businesses running SAP software. SAP-endorsed business solutions are offered by SAP partners.

Use the registered ® trademark in the boilerplate text at the first mention of SAP. For more information on the user of trademarks, see the Trademark Guidelines available on SAP Brand Tools (Brand Elements → Voice → Writing Style).

Exhibit 10.2

EXECUTION VERSION

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

CREDIT AGREEMENT

dated as of

September 25, 2013,

among

BLACKLINE SYSTEMS, INC.,

SLS BREEZE INTERMEDIATE HOLDINGS, INC.

THE LENDERS PARTY HERETO

and

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

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(continued)

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SCHEDULES

EXHIBITS

CREDIT AGREEMENT

This **CREDIT AGREEMENT** (this "***Agreement***") is dated as of September 25, 2013 and entered into by and among **BLACKLINE SYSTEMS, INC.**, a California corporation (the "***Borrower***"), **SLS BREEZE INTERMEDIATE HOLDINGS, INC.**, a Delaware corporation ("***Holdings***"), the Lenders (as defined in Article I), and **OBSIDIAN AGENCY SERVICES, INC.**, as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***") for the Lenders.

PRELIMINARY STATEMENT

Holdings and the Borrower desire that the Lenders extend a term loan to the Borrower to refinance certain existing indebtedness, to pay certain transaction expenses and for working capital and other general corporate purposes of the Borrower and its Subsidiaries, including, to the extent permitted hereby, to make capital expenditures, acquisitions, investments and distributions from time to time.

The Lenders have agreed to extend such term loan to the Borrower.

The Borrower desires to secure all of the Obligations hereunder and under the other Loan Documents by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of its assets, as and to the extent provided herein and in the other Loan Documents.

Holdings and all of the Domestic Subsidiaries of the Borrower (subject to exceptions set forth herein and the other Loan Documents) have agreed to guarantee the Obligations hereunder and under the other Loan Documents and to secure their guaranties by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of their respective assets, as and to the extent provided herein and in the other Loan Documents.

The Lenders are willing to extend such term loan to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Defined Terms***.

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

"***Acceptance Notice***" shall have the meaning assigned to such term in Section 2.22.

"***Acquired Entity***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Acquisition"*** shall mean the acquisition of the Borrower by Holdings pursuant to the Acquisition Agreement.

"***Acquisition Agreement***" shall mean that certain Agreement and Plan of Merger, dated as of August 9, 2013, by and among SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc., SLS Breeze Merger Sub, Inc. and Blackline Systems, Inc.

"***Administrative Agent***" shall have the meaning assigned to such term in the Preamble.

"***Administrative Questionnaire***" shall mean an Administrative Questionnaire in the form of Exhibit C, or such other form as may be supplied from time to time by the Administrative Agent.

"***Affiliate***" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; *provided, however*, that, for purposes of Section 6.07, the term "Affiliate" shall also include any Person that directly or indirectly owns 10% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

"***Agents***" shall have the meaning assigned to such term in Article VIII.

"***Agreement***" shall mean this Credit Agreement.

"***Alternate Base Rate***" means, for any day, a fluctuating rate of interest per annum equal to the highest of:

(i) the Prime Rate in effect on such day; and

(ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1.0% per annum.

Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively. Interest calculated pursuant to clause (i) above will be determined based on a year of 365 days or 366 days, as applicable and actual days elapsed. Interest calculated pursuant to clause (ii) above will be determined based on a year of 360 days and actual days elapsed.

"***Applicable Prepayment Premium***" shall have the meaning assigned to such term in Section 2.10(a).

"***Asset Sale***" shall mean the sale, transfer, license or other Disposition by Holdings, the Borrower or any Subsidiary to any Person (other than the Borrower or any Subsidiary Guarantor) of (i) any of the Equity Interests of the Borrower or any of its Subsidiaries, (ii) substantially all of the assets of any division or line of business of the Borrower or any of its Subsidiaries, or (iii) any other assets (whether tangible or intangible) of the Borrower or any of its Subsidiaries (other than (a) inventory sold in the ordinary course of business, (b) sales, assignments, transfers or Dispositions of accounts in the ordinary course of business for purposes of collection, (c) non-exclusive licenses and sublicenses of Intellectual Property, in the ordinary course of business, (d) leasing and sub-leasing of property and (e) any such other assets to the extent that the aggregate value of such assets sold or otherwise Disposed of in any fiscal year of the Borrower does not exceed $500,000); *provided* that (y) a Casualty Event, the issuance of Equity Interests of Holdings, the issuance of Equity Interests of Borrower or any Subsidiary to Holdings or any other Loan Party or the issuance by Holdings or any of its Subsidiaries of Indebtedness shall not constitute an Asset Sale and (z) the events set forth in clauses (iv), (vi), (vii), (x), (xii), (xvi), (xvii) and (xix) of Section 6.05 shall not constitute an Asset Sale for purposes of Section 2.11(a) or the definition of "Net Asset Sale Proceeds."

"***Assignment and Acceptance***" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee and with the consent of any Person whose consent is required by Section 9.04(b), in the form of Exhibit D or such other form as shall be approved by the Administrative Agent.

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"***Board***" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" shall have the meaning assigned to such term in the Preamble.

"***Business Day***" shall mean any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"***Capital Lease Obligations***" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; *provided* that the adoption or issuance of any accounting standards after the Closing Date will not cause any lease that was not or would not have been Capital Lease Obligations prior to such adoption or issuance to be deemed Capital Lease Obligations.

"***Casualty Event***" shall mean any event or occurrence described in clauses (i) and/or (ii) of the definition of "Net Insurance/Condemnation Proceeds".

"***CFC***" shall mean a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"***Change in Law***" shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.12, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd–Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives issued thereunder or in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the day enacted, adopted, issued or implemented.

"***Change of Control***" shall mean the occurrence of any of the following:

(i) the Permitted Holders collectively shall cease to beneficially own and Control at least 25% on a fully diluted basis of (x) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (y) the total economic interests (for the avoidance of doubt, which shall exclude any Indebtedness (other than Disqualified Stock)) of the Equity Interests of Holdings, in each case with such 25% being free and clear of any Liens, rights, options, warrants or similar agreements or understandings;

(ii) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and the Subsidiaries, taken as a whole, to any Person;

(iii) the occurrence of a change in the composition of the Governing Body of Holdings or the Borrower such that a majority of the members of any such Governing Body are not Continuing Directors;

(iv) (a) the failure at any time of Holdings, directly, to legally and beneficially own and Control 100% on a fully-diluted basis of the issued and outstanding Equity Interests of the Borrower free and clear of any Liens, rights, options, warrants or similar agreements or understandings other than Liens in favor of the Collateral Agent created pursuant to the Security Documents and other Liens permitted under Section 6.02 or (b) the failure at any time of Holdings to have the ability to elect all of the Governing Body of the Borrower;

(v) the occurrence of any "change of control" (or similar event, howsoever denominated) under the Revolving Loan Agreement or the definitive documentation governing or evidencing any Material Indebtedness of any Loan Party;

(vi) a "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than any such "person" or "group" comprised solely of Permitted Holders, becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of or Controls, directly or indirectly, a greater percentage of (a) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (b) the total economic interests of the Equity Interests of Holdings than that collectively beneficially owned or Controlled (whichever is applicable above) by the Permitted Holders.

As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning set forth in the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this definition, a Person shall not be deemed to have beneficial ownership of the voting Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement, so long as such agreement contains a condition to the closing of the transactions contemplated thereunder that the Obligations under this Agreement and the other Loan Documents shall be paid in full and terminated prior to (or contemporaneous with) the consummation of such transactions.

"***Change of Control Prepayment Premium***" shall have the meaning assigned to such term in Section 2.11(d).

"***Charges***" shall have the meaning assigned to such term in Section 9.09.

"***Closing Date***" shall mean the date on which the initial Loans are made.

"***Code***" shall mean the Internal Revenue Code of 1986.

"***Collateral***" shall mean all the real, personal, and mixed (real and personal) property of the Loan Parties in which Liens are granted pursuant to the Security Documents, including all "Collateral" (as defined therein), and all Mortgaged Properties (for the avoidance of doubt, excluding any Excluded Assets (as defined in the Guarantee and Collateral Agreement)).

"***Collateral Agent***" shall have the meaning assigned to such term in the Preamble.

"***Commitment***" shall mean, with respect to each Lender, the commitment of such Lender to make Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender assumed its Commitment, as applicable. The aggregate amount of the Lenders' Commitments as of the Closing Date is $25,000,000.

"***Competitor***" shall mean any of those Persons or entities that are competitors of the Borrower and its Subsidiaries and affiliates of any such competitors, in each case, identified by the Borrower to the Administrative Agent in writing, and as updated from time to time with prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned).

"***Connection Income Taxes***" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated Leverage Ratio***" shall mean, on any date, the ratio of the principal amount of all Loans (including, for the avoidance of doubt, any PIK Interest that has been previously added to the principal amount of the Loans) outstanding on such date to Consolidated Revenue for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

"***Consolidated Revenue***" shall mean, for any period, the subscription and maintenance revenue of Holdings and its Subsidiaries on a consolidated basis determined in a manner consistent with GAAP, for such period.

"***Consolidated Total Assets***" shall mean, as of any date, the total property and assets of Holdings and its Subsidiaries, determined in accordance with GAAP, as set forth on the consolidated balance sheet of Holdings delivered in connection with the most recent audited annual financial statements of Holdings (on a pro forma basis after giving effect to any Permitted Acquisitions or any Investments or Dispositions permitted under the Loan Documents).

"***Contingent Obligation***", as applied to any Person, shall mean any direct or indirect liability, contingent or otherwise, of that Person (i) with respect to any Indebtedness, lease, dividend or other obligation (the "***primary obligation***") of another if the purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such primary obligation of another that such primary obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such primary obligation will be protected (in whole or in part) against loss in respect thereof, (ii) with respect to any banker's acceptance, letter of credit or surety bond or similar instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (iii) under Hedging Agreements. Contingent Obligations shall include (a) the direct or indirect guarantee, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the primary obligation of another, (b) the obligation to make or pay similar payments if required regardless of non-performance by any other party or parties to an agreement, and (c) any liability of such Person for the primary obligation of another through any agreement (contingent or otherwise) (1) to purchase, repurchase or otherwise acquire such primary obligation or any security therefor, or to provide funds for the payment or discharge of such primary obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (2) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (1) or (2) of this sentence, the purpose or intent thereof is as described in the preceding sentence; provided, however, that "Contingent Obligation" shall not include (A) endorsements for collection or deposit in the ordinary course of business, (B) customary indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or Equity Interests permitted under this Agreement or the other Loan Documents, (C) product warranties or other

similar contingent obligations given or incurred in the ordinary course of business and (D) ordinary course performance guarantees by Holdings or any of its Subsidiaries of the obligations (other than for the payment of Indebtedness) of any other of Holdings or any of its Subsidiaries. The amount of any liability in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined. The amount of any other Contingent Obligation shall be equal to the lesser of (y) the outstanding amount of the primary obligation so guaranteed or otherwise supported and (z) the stated maximum amount for which such Person may be liable under such Contingent Obligation, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case, the amount of such Contingent Obligations shall be determined by the Borrower reasonably and in good faith.

"***Continuing Directors***" shall mean the directors of Holdings on the Closing Date, and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors or such other director receives the vote of the Permitted Holders in his or her election by the shareholders of Holdings or such director is appointed pursuant to any shareholder agreement or governing document by any Permitted Holder.

"***Contractual Obligation***" shall mean, with respect to any Person, any agreement, instrument or other undertaking (other than a Loan Document) to which such Person is a party or by which it or any of its property is bound.

"***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "***Controlling***" and "***Controlled***" shall have meanings correlative thereto.

"***Control Agreement***" shall mean an agreement, reasonably satisfactory in form and substance to the Collateral Agent and executed by the financial institution or securities intermediary at which a Deposit Account or a Securities Account, as the case may be, is maintained, pursuant to which such financial institution or securities intermediary confirms and acknowledges the Collateral Agent's security interest in such account, and agrees that the financial institution or securities intermediary, as the case may be, will comply with instructions or entitlement orders, as applicable, originated by the Collateral Agent as to disposition of funds in such account, without further consent by the Borrower or any Subsidiary; provided that the Collateral Agent shall only deliver instructions or entitlement orders when an Event of Default has occurred and is continuing.

"***Controlled Investment Affiliate***" shall mean, with respect to any Person, any other Person that (a) directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person and (b) is organized primarily for the purpose of making equity or debt investments in one or more companies.

"***Copyright Act***" shall mean Title 17 of the United States Code, including the Copyright Act of 1976, and all rules and regulations issued or promulgated thereunder, all as amended and in effect from time to time.

"***Credit Facility***" shall mean the term loan facility provided for by this Agreement.

"***Cure Amount***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Contribution***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Date***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Right***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Securities***" shall have the meaning assigned to such term in Section 7.02(a).

"***Declined Proceeds***" shall have the meaning assigned to such term in Section 2.11(f).

"***Default***" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"***Deposit Account***" shall have the meaning assigned to such term in the UCC.

"***Designated Event of Default***" shall mean any Event of Default of the type described in any of clauses (a), (b), (g) or (h) of Section 7.01.

"***Disposition***" shall mean with respect to any property (other than cash), any sale, lease, sublease, sale and leaseback, assignment, conveyance, transfer, license or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings. For the avoidance of doubt, the terms Disposition, Dispose and Disposed of do not refer to the issuance, sale or transfer of Equity Interests by Holdings.

"***Disqualified Stock***" shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment (other than payments solely in the form of issuances of Qualified Capital Stock) constituting a return of capital, in each case at any time on or prior to the date that is 91 days following the Maturity Date; or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) Indebtedness securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time on or prior to the date that is 91 days following the Maturity Date, except, in the case of clause (a), if as a result of a change of control event or asset sale or other Disposition or casualty event, so long as any rights of the holders thereof to require the redemption thereof upon the occurrence of such a change of control event or asset sale or other Disposition or casualty event are subject to the prior payment in full of the Obligations (other than unasserted contingent indemnification or reimbursement obligations not yet due).

"***Dollars***" or "***$***" shall mean lawful money of the United States of America.

"Domestic Subsidiary" shall mean any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia in each case, other than a Foreign Subsidiary Holdco.

"***Eligible Assignee***" shall mean (i) any Lender, any Affiliate of any Lender and any Related Fund of any Lender; and (ii) (a) a commercial bank organized under the laws of the United States or any state thereof; (b) a savings and loan association or savings bank organized under the laws of the United States

or any state thereof; (c) a commercial bank organized under the laws of any other country or a political subdivision thereof; *provided* that (1) such bank or association is acting through a branch or agency located in the United States or (2) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country; and (d) any other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) that makes or purchases loans or investments in the ordinary course of business; *provided* that, notwithstanding anything to the contrary in this Agreement, each of the Borrower, any Affiliate of the Borrower and any Excluded Lender shall not be an Eligible Assignee and any attempted assignment to such Persons shall be absolutely void ab initio.

"***Eligible Incremental Lender***" shall mean all Eligible Assignees reasonably acceptable to the Administrative Agent and the Borrower.

"***Employee Benefit Plan***" shall mean, at any time, an employee benefit plan, as defined in Section 3(3) of ERISA, which the Borrower or any ERISA Affiliate maintains, contributes to or has an obligation to contribute or with respect to which Borrower could reasonably be expected to incur liability (including under Section 4409 of ERISA or on account of an ERISA Affiliate).

"***Environmental Laws***" shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources or the presence, Release of, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"***Environmental Liability***" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Equity Interests***" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is, or was within the last six preceding plan years, treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is, or was within the last six preceding plan years, treated as a single employer under Section 414 of the Code. Any trade or business that was an ERISA Affiliate under the preceding sentence during the six preceding plan years shall continue to be deemed an ERISA Affiliate hereunder solely with respect to liabilities asserted against Borrower under the Code or ERISA attributable to the period such trade or business was in fact an ERISA Affiliate under the preceding sentence.

"***ERISA Event***" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the failure of any Plan to meet the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan or the occurrence of any event or condition which would reasonably be expected to constitute grounds under ERISA for the termination of or the appointment of a trustee to administer, any Plan, (f) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, (g) the occurrence of a non-exempt "prohibited transaction" with respect to which the Borrower or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or any such Subsidiary could reasonably be expected to incur a material liability, (h) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA, (i) the imposition of liability on the Borrower or any ERISA Affiliate pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA or (j) the imposition of a Lien on the Borrower pursuant to Section 430(k) of the Code or ERISA.

"***Events of Default***" shall have the meaning assigned to such term in Article VII.

"***Excess Rate***" shall have the meaning assigned to such term in Section 2.22.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

"***Excluded Equity***" shall mean (a) in the case of Equity Interests of all existing first-tier Foreign Subsidiaries that are CFCs of any Loan Party, 35% of the voting Equity Interests of such Foreign Subsidiary, (b) in the case of Equity Interests of any Foreign Subsidiary Holdco, 35% of the voting Equity Interests of such Foreign Subsidiary HoldCo or, in the case under the foregoing clause (b) only such lesser amount to the extent the pledge of or a granting of a Lien on a greater amount of such Foreign Subsidiary Holdco's Equity Interests could not reasonably be expected to (i) result in adverse tax consequences, (ii) result in costs to Holdings and its Subsidiaries that are disproportionately large in relation to the benefit to the Lenders, as mutually determined by the Collateral Agent and the Borrower in their reasonable discretion or (iii) be prevented or impaired by applicable law, order or regulation, (c) any Equity Interests in a joint venture or non-Wholly Owned Subsidiary (other than a non-Wholly Owned Subsidiary acquired pursuant to a Permitted Acquisition) to the extent (i) the granting, creating or perfecting a pledge, security interest or Lien on such Equity Interests is prohibited or restricted by a Contractual Obligation or (ii) the consent or approval of a Person other than an Affiliate of the Borrower is required, or (d) any Equity Interests of any Person that is not a first-tier Subsidiary of any Loan Party (except (but only) to the extent such Person is a first-tier Subsidiary of another Loan Party).

"***Excluded Lender***" shall mean (a) natural Persons, (b) Competitors and (c) those banks, financial institutions, institutional lenders and other Persons that have been specified to the Administrative Agent by the Borrower or the Sponsor in writing prior to the Closing Date (it being agreed and understood by the Agents and each Lender on the Closing Date that the list specifying the Persons in clause (c) of this definition shall not be delivered to (or any of its contents shared with) any Person other

than the Persons that are Lenders on the Closing Date; *provided* that the Administrative Agent may verbally state whether a Person is an Eligible Assignee based on such list so long as the question is posed by a Lender for the sole purpose of considering assigning the Loans or selling participations hereunder to a non-Affiliated third-Person that is not otherwise excluded from being an Eligible Assignee by the other provisions in the definition of "Eligible Assignee").

"***Excluded Taxes***" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date of which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.l8(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Existing Debt Refinancing***" shall mean the repayment in full of the Indebtedness set forth on Schedule 1.01(c) and the termination of commitments thereunder and the release of all guarantees and security in respect thereof.

"***Fair Labor Standards Act***" shall mean the Fair Labor Standards Act of 1938, as amended from time to time.

"***FATCA***" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"***Federal Funds Effective Rate***" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System of the United States arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Federal Power Act***" shall mean the Federal Power Act of 1935, as amended from time to time.

"***Fees***" shall mean the Yield Enhancement Fees.

"***Financial Officer***" of any Person shall mean the chief financial officer, chief executive officer, vice president of finance, principal accounting officer, treasurer, assistant treasurer or controller, or, in each case, anyone acting in such capacity or any similar capacity, of such Person.

"***Foreign Lender***" shall mean any Lender that is not a U.S. Person.

"***Foreign Plan***" shall mean any defined benefit pension plan maintained or contributed to by any Loan Party solely with respect to employees employed outside the United States.

"***Foreign Subsidiary***" shall mean any Subsidiary that is not a Domestic Subsidiary.

"***Foreign Subsidiary Holdco***" shall mean a direct or indirect Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia of the Borrower formed or acquired before, on or after the Closing Date, that has no material assets other than capital stock or other Equity Interests of CFCs.

"***GAAP***" shall mean United States generally accepted accounting principles applied on a consistent basis.

"***Governing Body***" shall mean the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

"***Governmental Authority***" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality, regulatory body, board or commission.

"***Granting Lender***" shall have the meaning assigned to such term in Section 9.04(j).

"***Guarantee and Collateral Agreement***" shall mean the Guarantee and Collateral Agreement, in the form of Exhibit E, among the Borrower, Holdings, the Subsidiary Guarantors party thereto, and the Collateral Agent for the benefit of the Secured Parties.

"***Guarantors***" shall mean Holdings and the Subsidiary Guarantors.

"***Hazardous Materials***" shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"***Hedging Agreement***" shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"***Holdings***" shall have the meaning assigned to such term in the Preamble.

"***ICC Termination Act***" shall mean the ICC Termination Act of 1995, as amended from time to time.

"***Immaterial Subsidiary***" means Subsidiaries of the Borrower that (i) are not Loan Parties, (ii) own assets in an amount no greater than 2.5% individually and 5% in the aggregate of the Consolidated Total Assets of Holdings and its Subsidiaries (on a consolidated basis), (iii) generate revenue in an amount no greater than 2.5% individually and 5% in the aggregate of the total revenues of Holdings and its Subsidiaries (on a consolidated basis) and (iv) have previously been designated in writing by the Borrower to the Administrative Agent as "Immaterial Subsidiaries."

"***Increase Conditions***" means the following conditions: (i) Consolidated Revenue for the most recently ended four fiscal quarter period for which financial statements under Section 5.04(a) or (b) have been delivered equaling or exceeding $50,000,000 and (ii) receipt by the Administrative Agent of a certificate of a Financial Officer of the Borrower setting forth in reasonable detail the calculations showing satisfaction of the foregoing condition.

"***Increased Amount Date***" shall have the meaning assigned to such term in Section 2.22.

"***Incremental Commitments***" shall have the meaning assigned to such term in Section 2.22.

"***Incremental Lender***" shall have the meaning assigned to such term in Section 2.22.

"***Incremental Loan***" shall have the meaning assigned to such term in Section 2.22.

"***Incremental Loan Amendment***" shall have the meaning assigned to such term in Section 2.22.

"***Indebtedness***" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services, including any-earn out obligations (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business and not more than 180 days past due, (ii) purchase price adjustments and earn-out obligations (unless such amounts are not paid after becoming due and payable or appear (or would be required to appear pursuant to GAAP) as liabilities on the balance sheet of such Person), (iii) royalty payments made in the ordinary course of business in respect of licenses, any accruals for payroll and (iv) other non-interest bearing liabilities accrued in the ordinary course of business and deferred rent obligations), (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person reasonably and in good faith and (y) the amount of Indebtedness secured by such Lien, (f) all Contingent Obligations of such Person in respect of Indebtedness of others, (g) all Capital Lease Obligations and Synthetic Lease Obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases (other than Capitalized Lease Obligations recorded as capitalized leases in accordance with GAAP as in effect on the Closing Date) shall not constitute Indebtedness), (h) all obligations of such Person as an account party in respect of letters of credit, (i) all obligations of such Person in respect of bankers' acceptances, (j) Disqualified Stock and (k) all obligations of such Person in respect of any Hedging Agreement, in each case, whether entered into for hedging or speculative purposes or otherwise; *provided* that (1) Indebtedness shall not include (A) accrued expenses, deferred rent, deferred revenue, deferred taxes and deferred compensation and customary obligations under employment arrangements, (B) customary payables with respect to money orders or wire transfers, and (C) obligations under operating leases and (2) the items in clauses (a) through (k) above shall constitute Indebtedness of such person solely to the extent (x) such Person is liable for such item, (y) any such item is secured by a Lien on such Person's property but only to the extent of the lesser of the fair market value of the property subject to such Lien and the principal amount of, and interest and other amount owing in respect of, such Indebtedness or (z) any other Person has a right, contingent or otherwise, to cause such Person to become liable for any part of any such item or to grant such a Lien. The amount of any Indebtedness of any Person in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so

determined. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, but only to the extent such Person is obligated therefor by contract or operation of applicable law.

"***Indemnified Taxes***" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitee***" shall have the meaning assigned to such term in Section 9.05(b).

"***Information***" shall have the meaning assigned to such term in Section 9.16.

"***Insolvency Proceeding***" shall mean (i) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (ii) any general assignment for the benefit of creditors, formal or informal moratorium, composition, marshaling of assets for creditors or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case, undertaken under United States federal or state or non-United States legal requirements, including the Bankruptcy Code.

"***Intellectual Property***" shall mean all present and future: trade secrets, know-how and other proprietary information; trademarks, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations therefor throughout the world; works of authorship, copyrightable works, copyright registrations and copyright applications; and all tangible and intangible property embodied therein, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"***Intercreditor Agreement***" shall mean an intercreditor agreement between the Collateral Agent and lenders under the Revolving Loan Agreement (or the Revolving Agent on behalf of such lenders) in form and substance reasonably acceptable to the Collateral Agent.

"***Interest Payment Date***" shall mean December 31, 2013 and the last day of each calendar quarter thereafter, *provided* if any such day is not a Business Day, such Interest Payment Date shall be extended to the next succeeding Business Day and interest shall accrue for each day of such extension.

"***Interstate Commerce Act***" shall mean the Interstate Commerce Act of 1887, as amended from time to time.

"***Investment***" shall mean (i) any direct or indirect purchase or other acquisition by Holdings, the Borrower or any of its Subsidiaries of, or of a beneficial interest in, any stocks, bonds, notes, debentures or other obligations or securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Holdings, the Borrower or any Subsidiary of the Borrower from any Person, of any Equity Interests of such Person; and (iii) any direct or indirect loan, advance

(other than loans or advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by Holdings, the Borrower or any of its Subsidiaries to any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto (other than replacement or repair costs in connection with Casualty Events), without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment and after giving effect to any return of capital, repayment or dividends or distributions in respect thereof received in cash with respect to such Investment and less all liabilities expressly assumed by another person in connection with the sale or other disposition of such Investment.

"***Investment Company Act of 1940***" shall mean the Investment Company Act of 1940, as amended from time to time.

"***IRS***" shall mean the United States Internal Revenue Service.

"***Lenders***" shall mean (a) the Persons listed on Schedule 2.01 (other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance, in each case, in accordance and in compliance with Section 9.04 (including, without limitation, any consents required thereby); *provided*, *however*, that no Excluded Lender shall be a Lender.

"***Libor Rate***" shall mean, for any date of determination, the greater of (x) 1.50% per annum and (y) the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) that appears on Bloomberg as of approximately 11:00 a.m. (Los Angeles time) on such date of determination; *provided*, that if such index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination, and if this latter index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the Prime Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination. The Libor Rate shall be reasonably determined on the Closing Date and the first Business Day of each calendar quarter thereafter by the Administrative Agent or, if no Administrative Agent then exists, by the Required Lenders.

"***LIBOR Unavailability Notice***" shall have the meaning assigned to such term in Section 2.12(e).

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; *provided* that in no event shall an operating lease be deemed to be a Lien.

"***Liquidity***" shall mean (i) the amount of Unrestricted Cash and Permitted Investments of the Loan Parties in the aggregate plus (ii) the aggregate amount of unused commitments under the Revolving Loan Agreement.

"***Loan(s)***" shall mean the term loans made by the Lenders to the Borrower pursuant to Section 2.01, together with PIK Interest, if any.

"***Loan Commitment Percentage***" shall mean, as to any Lender at any time, the percentage of the aggregate outstanding principal amount of Loans then constituted by the aggregate outstanding principal amount of such Lender's Loans.

"***Loan Documents***" shall mean this Agreement, the Security Documents, the Intercreditor Agreement, the Notes and any other document or agreement executed in connection herewith or therewith.

"***Loan Parties***" shall mean the Borrower and the Guarantors.

"***Local Time***" shall mean Los Angeles time.

"***Management Agreement***" shall mean any written agreement by and between Sponsor or its Affiliates and Holdings or Borrower entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent (it being understood and agreed that any provisions providing for cost and expense reimbursement and indemnification not in excess of the amount permitted under Section 6.06(a)(iii) of this Agreement shall be satisfactory to the Administrative Agent).

"***Management Fee Recipient***" shall have the meaning assigned to such term in the definition of "Management Fees".

"***Management Fees***" shall mean any fees or other amounts (whether structured as a fee, an underwriting discount or otherwise) payable, directly or indirectly, to or for the benefit of any direct or indirect holder of Equity Interests of Holdings or any Affiliate of any such holder of Equity Interests (each of the foregoing, but excluding any Agent or any Lender, a "***Management Fee Recipient***") or in respect of management, consulting, financial advisory, financing, underwriting or placement services or other investment banking activities provided by or on behalf of any Management Fee Recipient to or for the benefit, directly or indirectly, of any of Holdings or Holdings' Affiliates, whether payable, earned or otherwise provided for pursuant to a Management Agreement (howsoever denominated) or otherwise; *provided*, *however*, that Management Fees shall not include (i) any costs or expenses (including, without limitation, attorney's fees) incurred by, or any indemnities provided to, Sponsor and/or any of its Related Parties and (ii) any amounts accrued (or rights to present or future payments or amounts) but not actually paid.

"***Margin Stock***" shall have the meaning assigned to such term in Regulation U.

"***Material Adverse Effect***" shall mean (a) a materially adverse effect on and/or material adverse developments with respect to (i) the value of the Collateral (taken as a whole) or (ii) the business, operations, financial condition or properties of Holdings, the Borrower and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Borrower or the other Loan Parties, taken as a whole, to perform any of its or their obligations under any Loan Document to which it is or they are a party or (c) a material impairment of the rights and remedies, taken as a whole, of the Administrative Agent, the Collateral Agent and the Lenders under the Loan Documents (other than to the extent a result of the action or inaction of the Administrative Agent, the Collateral Agent, the Lenders, the other secured parties under the Loan Documents or their respective Related Parties).

"***Material Domestic Real Property***" shall mean any real property located in the United States with a fair market value in excess of $1,000,000.

"***Material Foreign Assets***" shall mean, (i) any foreign personal property (including, without limitation, any foreign registered Intellectual Property) of a Loan Party constituting Collateral with a value as of any date of determination in excess of 10% of Consolidated Total Assets and (ii) Equity Interests of any direct Foreign Subsidiary of any Loan Party that is a Wholly-Owned Subsidiary constituting Collateral solely to the extent such Foreign Subsidiary generates revenue in an amount in excess of 10% of the total revenues of Holdings and its Subsidiaries on a consolidated basis.

"***Material Indebtedness***" shall mean Indebtedness (other than the Loans) of any one or more of Holdings, the Borrower or any Subsidiary in an aggregate principal amount exceeding $1,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Holdings, the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements to the extent that such agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time. For the avoidance of doubt, the Obligations shall not constitute Material Indebtedness.

"***Maturity Date***" shall mean September 25, 2018.

"***Maximum Rate***" shall have the meaning assigned to such term in Section 9.09.

"***Modification***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Moody's***" shall mean Moody's Investors Service, Inc., or any successor thereto.

"***Mortgaged Properties***" shall mean each parcel of owned real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12.

"***Mortgages***" shall mean the mortgages, deeds of trust, assignments of leases and rents, modifications and other security documents delivered with respect to Mortgaged Properties pursuant to Section 5.12, in each case, utilized as security for the Obligations, each reasonably acceptable in form and substance to the Administrative Agent and the Borrower.

"***Multiemployer Plan***" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA; (a) to which Borrower or any ERISA Affiliate making or accruing an obligation to make contributions; or (b) with respect to which Borrower could reasonably be expected to incur liability.

"***Net Asset Sale Proceeds***" shall mean the cash proceeds received by the Borrower or any of its Subsidiaries in respect of an Asset Sale (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received but excluding (for the avoidance of doubt) any issuance of Equity Interests mentioned in the proviso of the definition of "Asset Sale"), net of (a) actual and customary expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection with such sale), (b) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Asset Sale Proceeds) and (c) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset sold in such Asset Sale and that is required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset and other than Indebtedness hereunder).

"***Net Insurance/Condemnation Proceeds***" shall mean any net cash payments or net cash proceeds (after taking into account any fees, costs, expenses (including, without limitation, legal fees) and deductibles related thereto or incurred in connection therewith) received by the Borrower or any of its Subsidiaries (i) under any casualty insurance policy in respect of a covered loss of property thereunder or (ii) as a result of the taking of any assets of the Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain or condemnation pursuant to any law, or by reason of the

temporary requisition of the use or occupancy of all or any part of any real property of any Person or any part thereof by any Governmental Authority, civil or military, in each case, net of (a) customary costs and expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection therewith) and (b) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset subject to such covered loss or taking and that is required to be repaid with such proceeds (other than Indebtedness hereunder).

"***Net Securities Proceeds***" shall mean the cash proceeds (net of customary underwriting discounts and commissions and other customary costs and expenses associated therewith, including customary legal fees and expenses and taxes) from the incurrence of Indebtedness by Holdings, the Borrower or any of its Subsidiaries.

"***Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***Notice of Intent to Cure***" shall have the meaning assigned to such term in Section 7.02(c).

"***Obligations***" shall mean all obligations of every nature of each Loan Party from time to time owed to the Administrative Agent, the Lenders or any of them under the Loan Documents, whether for principal, interest (including, without limitation, any PIK Interest and interest accruing after the commencement of any bankruptcy case or Insolvency Proceeding involving a Loan Party, whether or not such interest is an allowed claim in such case or proceeding), fees, premium, expenses, indemnification or otherwise.

"***OFAC***" shall have the meaning assigned to such term in Section 3.23.

"***OID***" shall have the meaning assigned to such term in Section 2.20.

"***Organizational Documents***" shall mean with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, operating agreement, partnership agreement or similar agreement or instrument governing the formation or operation of such Person.

"***Other Connection Taxes***" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Taxes***" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"***Participant Register***" shall have the meaning assigned to such term in Section 9.04(g).

"***Payment Office***" shall mean the office of the Administrative Agent located at 2951 28th Street, Suite 1000, Santa Monica, California 90405 or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"***PBGC***" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"***Perfection Certificate***" shall mean the Perfection Certificate substantially in the form of Exhibit B to the Guarantee and Collateral Agreement.

"***Permitted Acquisition***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Permitted Capital Lease Amount***" shall mean $2,500,000, provided, however that if the Increase Conditions are met, the Permitted Capital Lease Amount shall mean $5,000,000.

"***Permitted Founder Distributions***" shall mean amounts payable to Therese Tucker, an individual, pursuant to Section 6.9(h) of the Acquisition Agreement.

"***Permitted Holders***" shall mean, collectively, Sponsor and its Controlled Investment Affiliates.

"***Permitted Investments***" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed or insured by, the United States of America (or by any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, at least 95% of whose assets are invested in investments of the type described in clauses (a) through (d) above;

(f) demand deposit accounts maintained in the ordinary course of business; and

(g) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"***Permitted Non-Loan Party Investment Amount***" shall mean $5,000,000 provided, however that if the Increase Conditions are met, the Permitted Non-Loan Party Investment Amount shall mean $10,000,000.

"***Permitted Refinancing***" shall mean, with respect to any Person, any modification, refinancing, refunding, replacement, renewal or extension (each, a "***Modification***") of any Indebtedness of such Person (such Indebtedness prior to giving effect to such Modification, "***Subject Indebtedness***" and, after giving effect to such Modification, "***Refinancing Indebtedness***"); *provided* that (a) the principal amount

thereof does not exceed the principal amount of such Subject Indebtedness except by an amount equal to unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred, in connection with such Modification and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing of Indebtedness permitted pursuant to Section 6.01(v) or Section 6.01(vi), such Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Subject Indebtedness, (c) to the extent such Subject Indebtedness is (i) subordinated in right of payment to the Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms, taken as a whole, at least as favorable to the Lenders in all material respects as those contained in the documentation governing the subordination of the Subject Indebtedness, (ii) secured by a junior permitted lien on the Collateral (or portion thereof), in the case of this clause (ii) such Refinancing Indebtedness shall be unsecured or secured by a junior permitted lien on the Collateral (or portion thereof) or (iii) unsecured, such Refinancing Indebtedness shall be unsecured, (d) such Modification does not provide for the granting or obtaining of collateral security from, or obtaining any lien on any assets of, any Person, other than collateral security obtained from Persons that provided (or were required to provide) collateral security with respect to such Subject Indebtedness (so long as the assets subject to such liens were or would have been required to secure such Subject Indebtedness) (provided that additional Persons that would have been required to provide collateral security with respect to such Subject Indebtedness may provide collateral security with respect to such Refinancing Indebtedness), (e) any such Refinancing Indebtedness shall be subject to intercreditor provisions (including lien subordination provisions if such Refinancing Indebtedness is secured by a lien on the Collateral the priority of which is contractually subordinated to the Liens on the Collateral securing the Obligations) which are no less favorable, taken as a whole, to the Secured Parties than those contained in such Subject Indebtedness or are otherwise reasonably acceptable to the Administrative Agent, (f) neither Holdings nor any of its Subsidiaries shall be an obligor or guarantor of any such Refinancing Indebtedness except to the extent that such Person was such an obligor or guarantor in respect of the Subject Indebtedness and (g) with respect to any Subject Indebtedness concerning the Revolving Loans, the Modification thereof is permitted under the Intercreditor Agreement.

"***Permitted Restricted Payment Amount***" shall mean $500,000 provided, however that if the Increase Conditions are met, the Permitted Restricted Payment Amount shall mean $1,000,000.

"***Permitted Tax Distributions***" shall mean for each tax year (or portion thereof) that the Borrower is a corporation for U.S. federal income tax purposes and is a member of an affiliated group filing consolidated or combined returns of which it is not the common parent, the direct or indirect payment by the Borrower to the common parent of such group of the consolidated or combined federal, state and local income Taxes payable by the common parent for such group; *provided* that the amount of such payments in any taxable year (or portion thereof) does not exceed the amount that Holdings and its Subsidiaries would be required to pay in respect of U.S. federal, state and local income Taxes for such taxable year (or portion thereof) were Holdings and its Subsidiaries to file as part of a consolidated or combined group for income tax purposes; *provided further* that any amounts paid solely with respect to Holdings shall be attributable to operations or actions of Holdings that are permitted by Section 6.13.

"***Person***" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

"PIK Interest" shall have the meaning assigned to such term in Section 2.06(a).

"***Plan***" shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by Borrower or any ERISA Affiliate or with respect to which Borrower could reasonably be expected to incur liability (including on account of an ERISA Affiliate).

"***Prime Rate***" means, for any day, the rate of interest in effect for such day that is identified and normally published by The Wall Street Journal as the "Prime Rate" (or, if more than one rate is published as the Prime Rate, then the highest of such rates), with any change in Prime Rate to become effective as of the date the rate of interest which is so identified as the "Prime Rate" is different from that published on the preceding Business Day. If The Wall Street Journal no longer reports the Prime Rate, or if the Prime Rate no longer exists, or the Administrative Agent determines in good faith that the rate so reported no longer accurately reflects an accurate determination of the prevailing Prime Rate, then the Administrative Agent may select a reasonably comparable index or source to use as the basis for the Prime Rate.

"***Qualified Capital Stock***" of any Person shall mean any Equity Interest of such Person that is not Disqualified Stock.

"***Recipient***" shall mean (a) the Administrative Agent and (b) any Lender, as applicable.

"***Refinancing Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Register***" shall have the meaning assigned to such term in Section 9.04(d).

"***Regulation T***" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Related Documents***" shall mean, collectively, the Warrants and the Warrant Agreement.

"***Related Fund***" shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"***Related Parties***" shall mean, with respect to any specified Person, such Person's Controlled Affiliates and the respective directors, trustees, officers, employees, agents, attorneys, representatives and advisors of such Person and such Person's Controlled Affiliates; *provided* that an agent of a sub-agent shall not be a Related Party, unless (i) such agent is appointed as a sub-agent by an Agent in accordance with Article VIII, or (ii) such agent is appointed or retained by, or at the direction of, the Required Lenders.

"***Release***" shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

"***Required Lenders***" shall mean, at any time, Lenders having Loans and Commitments representing more than 50% of the sum of all Loans and Commitments at such time.

"***Responsible Officer***" of any Person shall mean any executive officer (including, without limitation, the president, any vice president, secretary and assistant secretary), or Financial Officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"***Restricted Payment***" shall mean (i) any cash dividend or other cash distribution with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary and (ii) any cash payment, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary.

"***Revolving Agent***" shall mean the agent for the Revolving Loan Lenders under the Revolving Loan Agreement.

"***Revolving Loan Agreement***" shall mean a revolving loan agreement to be entered into among the Loan Parties and lenders (and agents, if any) reasonably acceptable to the Administrative Agent and on terms and conditions reasonably satisfactory to the Administrative Agent (it being understood and agreed that representations, warranties, covenants, events of default or other terms or provisions that are substantially similar to those in this Agreement are acceptable and satisfactory to the Administrative Agent), subject to the terms of the Intercreditor Agreement and with aggregate commitments thereunder not to exceed $5,000,000 which commitments may be increased up to $10,000,000, so long as at the time of such increase, the Increase Conditions are satisfied.

"***Revolving Loan Documents***" shall mean the loan documents entered into in connection with the Revolving Loan Agreement as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the Intercreditor Agreement or any Permitted Refinancing thereof.

"***Revolving Loan Lenders***" shall mean the lenders under the Revolving Loan Agreement.

"***Revolving Loans***" shall mean the loans made pursuant to the Revolving Loan Agreement or any loans under any Permitted Refinancing thereof.

"***S&P***" shall mean Standard & Poor's Ratings Service, or any successor thereto.

"***SEC***" shall mean the Securities and Exchange Commission or any other similar or successor agency of the Federal government administering the Securities Act.

"***Secured Parties***" shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

"***Securities Account***" is defined in the UCC.

"***Securities Act***" shall mean the Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

"***Security Documents***" shall mean the Guarantee and Collateral Agreement, Control Agreements, the Mortgages (if any) and each of the security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12 and utilized to pledge or grant a security interest or Lien on any property as collateral for the Obligations.

"***SPC***" shall have the meaning assigned to such term in Section 9.04(j).

"***Sponsor***" shall mean Silver Lake Sumeru Fund, L.P.

"***Subject Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Subordinated Indebtedness***" shall mean any Indebtedness of a Loan Party (other than, to the extent then in effect, any Revolving Loans or any other obligations under the Revolving Loan Documents) incurred from time to time and subordinated in right of payment to the Obligations and subject to a subordination agreement in form and substance reasonably satisfactory to the Administrative Agent.

"***Subsidiary***" shall mean, with respect to any Person (herein referred to as the "***parent***"), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of Holdings.

"***Subsidiary Guarantor***" shall mean, on the Closing Date, each Subsidiary of the Borrower listed on Schedule 1.01(a), and thereafter each wholly-owned Domestic Subsidiary that is or becomes a party to the Guarantee and Collateral Agreement or otherwise provides a guarantee in respect of the Obligations.

"***Synthetic Lease***" shall mean, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is accounted for as an operating lease under GAAP but which, upon the application of any insolvency or bankruptcy laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment) and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"***Synthetic Lease Obligations***" shall mean, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such Person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

"***Tax Returns***" shall mean (i) all returns, declarations, reports, schedules or information return or statement of, or with respect to, Taxes required to be filed with any Governmental Authority or depository and (ii) Form TD F 90-22.1.

"***Taxes***" shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Date***" shall have the meaning assigned to such term in Section 3.13.

"***Terrorism Order***" shall have the meaning assigned to such term in Section 3.25.

"***Tranche***" shall mean (a) the Loans and (b) the Incremental Loans.

"***Transactions***" shall mean, collectively, the transactions to occur pursuant to the Loan Documents, including (a) the execution and delivery of the Loan Documents and the making of the borrowings hereunder; (b) the Existing Debt Refinancing; and (c) the payment of related fees, costs and expenses (including, without limitation, attorney's fees).

"***UCC***" shall mean the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the issue of perfection of security interests.

"***Unrestricted Cash and Permitted Investments***" of any Person, shall mean cash or Permitted Investments of such Person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such Person, (b) that are not contractually required, and have not been contractually committed by such Person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the Organizational Documents of such Person, (iii) any order of any Governmental Authority or (iv) any contractual restriction (including the terms of any Equity Interests), in each case of (i) through (iv), preventing such cash or Permitted Investments, as applicable, from being applied to the payment of the Obligations (other than with respect to any restrictions under the Intercreditor Agreement or the Revolving Loan Agreement), (d) in which no Person other than the Collateral Agent has a Lien, other than the Revolving Agent (to the extent applicable) and the depository institution or securities intermediary at where such cash or Permitted Investments are maintained (to the extent permitted under Section 6.02(xi)), and (e) that are held in a Deposit Account or Securities Account, as applicable, in which the Collateral Agent has a valid and enforceable security interest, perfected by "control" (within the meaning of the applicable Uniform Commercial Code) (or the Revolving Agent has "control" for both the Revolving Agent and the Collateral Agent pursuant to the terms of the Intercreditor Agreement); *provided* for the ninety (90) day period following the Closing Date (or such longer period as the Administrative Agent may agree in its reasonable discretion), such Unrestricted Cash and Permitted Investments shall not be required to be subject to "control" in favor of the Collateral Agent.

"***U.S. Person***" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" shall have the meaning assigned to such term in Section 2.17(f)(ii)(B)(iii).

"***USA PATRIOT Act***" shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"***Warrant Agreement***" shall mean the agreement to purchase up to a certain amount of Equity Interests of SLS Breeze Holdings, Inc., dated the date hereof, executed by SLS Breeze Holdings, Inc. in order to issue the Warrants in the form of Exhibit H.

"***Warrants***" shall mean the warrants, in the form of Exhibit I, issued by SLS Breeze Holdings, Inc. in favor of each Person that was a Lender on the Closing Date.

"***Weighted Average Life to Maturity***" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"***Wholly Owned Subsidiary***" of any Person shall mean a Subsidiary of such Person of which securities (except for (i) directors' qualifying shares or (ii) in the case of Foreign Subsidiaries, nominal shares required by law to be owned by a resident of the relevant jurisdiction) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"***Withdrawal Liability***" shall mean liability of any Loan Party or any ERISA Affiliate to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"***Withholding Agent***" means any Loan Party and the Administrative Agent.

"***Yield Enhancement Fee***" shall have the meaning assigned to such term in Section 2.05(a).

SECTION 1.02. ***Terms Generally***. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document or any other documents shall mean such document as amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited or restricted hereunder and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that (x) any obligations of a Person under a lease (whether existing now or entered into in the future) that is not (or would not be) a Capital Lease Obligation under GAAP as in effect on the Closing Date shall not be treated as a Capital Lease Obligation solely as a result of the adoption of changes in GAAP and (y) if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant and the Administrative Agent consents (such consent not to be unreasonably withheld, delayed or conditioned) in writing (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI or any related definition for such purpose and the Borrower consents in writing (such consent not to be unreasonably withheld, delayed or conditioned)), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective and the Borrower shall provide to the Administrative Agent and the Lenders the reconciliation statements provided for in Section 5.04, until either such notice is withdrawn or such covenant is amended in a manner reasonably satisfactory to the Borrower and the Required Lenders. The term "enforceability" and its derivatives when used to describe the enforceability of an agreement shall mean that such agreement is enforceable except as enforceability may be limited by any insolvency,

bankruptcy or debtor relief law and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). Any terms used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

SECTION 1.03. ***Independence of Covenants.*** All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted as an exception to, or would otherwise be within the limitations of, another covenants shall not avoid the occurrence of an Event of Default or Default of such action is taken or condition exists.

SECTION 1.04. ***Deliveries***. Notwithstanding anything herein to the contrary, whenever any document, agreement or other item is required by any Loan Document to be delivered on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

SECTION 1.05. ***Construction***. Each of the parties hereto acknowledges that (i) it has been represented by counsel in the negotiation and documentation of the terms of this Agreement, (ii) it has had full and fair opportunity to review and revise the terms of this Agreement, (iii) this Agreement has been drafted jointly by all of the parties hereto, and (iv) no Lender has any fiduciary relationship with or duty to Holdings, the Borrower or any of its Subsidiaries arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lenders, on the one hand, and Holdings, the Borrower and its Subsidiaries, on the other hand, in connection herewith or therewith is solely that of debtor and creditor in respect of the Indebtedness represented hereby. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

SECTION 1.06. ***Certain Pro Forma Calculations***.

(a) For purposes of pro forma calculations of the Consolidated Leverage Ratio under Section 2.22 and Section 6.04(vii), Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments and Asset Sales or other dispositions permitted hereunder (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if any such Permitted Acquisition or other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

(b) For purposes of calculations of the Consolidated Leverage Ratio under Section 6.10, Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments permitted hereunder funded (in whole or in part) with the proceeds of Incremental Loans or with respect to proceeds of cash common or preferred equity contributions to Holdings or issuance of Equity Interests by Holdings (other than Disqualified Stock) and Asset Sales or other dispositions (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if such Permitted Acquisition or such other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

SECTION 1.07. ***Certain Increased Amounts***. Notwithstanding anything to the contrary herein, to the extent any increased amount of (i) Indebtedness is incurred in respect of the Permitted Capital Lease Amount, (ii) Investments are made in respect of the Permitted Non-Loan Party Investment Amount or (iii) Restricted Payments are made in respect of the Permitted Restricted Payment Amount, in

each case, as of a date on which the Increase Conditions are satisfied (or, in each case, pursuant to a binding commitment entered into with a Person (other than an Affiliate of a Loan Party) as of a date on which the Increase Conditions were satisfied), and after such date the Increase Conditions cease to be satisfied, such increased amount so incurred or made (or that was committed to be incurred or made) shall not constitute an Event of Default hereunder; *provided*, that, so long as such Increase Conditions are not so satisfied, no additional amounts may be incurred or made (other than those amounts that were committed to be incurred or made when the Increase Conditions were satisfied).

ARTICLE II

The Credits

SECTION 2.01. ***Commitments***. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make a Loan to the Borrower on the Closing Date in a principal amount equal to its Commitment at a purchase price of 100.0% of par. The Borrower may make only one borrowing of Loans. Amounts paid or prepaid in respect of Loans may not be reborrowed.

SECTION 2.02. ***Loans; Notice of Borrowing***.

(a) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(b) Each Lender shall make the Loan to be made by it hereunder on the Closing Date by wire transfer of immediately available funds to such account as the Borrower may designate not later than 2:00 p.m., Pacific time.

(c) The Borrower shall give the Administrative Agent at least 1 Business Day's prior notice (unless waived by the Administrative Agent in its reasonable discretion) of its request to incur Loans hereunder, *provided* that any such notice shall be deemed to have been given on a certain day only if given before 1:00 p.m. (Pacific time) on such day. Such notice (the "***Notice of Borrowing***") shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A, appropriately completed to specify: (i) the aggregate principal amount of the Loan to be incurred and (ii) the date of such borrowing (which shall be (x) a Business Day and (y) the Closing Date). The Administrative Agent shall promptly give each Lender, notice of such proposed borrowing, of such Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

(d) Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice of any borrowing or prepayment of Loans, the Administrative Agent may act without liability upon the basis of telephonic notice of such borrowing, as the case may be, believed by the Administrative Agent in good faith to be from the Borrower, prior to receipt of written confirmation. In each such case, the Borrower hereby waives the right to dispute the Administrative Agent's record of the terms of such telephonic notice of such borrowing of Loans, as the case may be, absent manifest error.

SECTION 2.03. ***Disbursement of Funds***.

No later than 2:00 P.M. (Pacific time) on the Closing Date, each Lender will make available its pro rata portion (determined based upon its Commitment) of the borrowing requested to be made. All such amounts will be made available in Dollars and in immediately available funds at the Payment Office,

and the Administrative Agent will make available to the Borrower at the Payment Office the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the Closing Date that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any borrowing to be made on the Closing Date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on the Closing Date and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly pay such corresponding amount to the Administrative Agent. The Administrative Agent shall be entitled to recover on demand from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Lender, the overnight Federal Funds Effective Rate for the first three days and at the interest rate otherwise applicable to such Loans for each day thereafter and (ii) if recovered from the Borrower, the rate of interest applicable to the respective borrowing, as determined pursuant to Section 2.06. Nothing in this Section 2.03 shall be deemed to relieve any Lender from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Loans hereunder. This Section 2.03 is subject to Section 2.19.

SECTION 2.04. ***Evidence of Debt; Repayment of Loans***.

(a) The Borrower hereby unconditionally promises to pay to each Lender the principal amount of each Loan of such Lender as provided in Section 2.09.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The entries made in the accounts maintained pursuant to paragraph (b) above shall be *prima facie* evidence absent manifest error of the existence and amounts of the obligations therein recorded; *provided*, *however*, that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(d) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 9.04(d) and shall, if requested by such Lender, also be evidenced by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B, with blanks appropriately completed in conformity herewith (each a "***Note***" and, collectively, the "***Notes***"). To the extent of any conflict between the Register and the entries made in the accounts maintained pursuant to paragraph (b) above, the entries made in the Register shall control.

(e) Notwithstanding anything to the contrary contained above in this Section 2.04 or elsewhere in this Agreement, Notes shall only be delivered to Lenders that at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Loans to the Borrower shall affect or in any manner impair the obligations of the Borrower to pay the

Loans (and all related Obligations) incurred by the Borrower that would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the Loan Documents. Any Lender that does not have a Note evidencing its outstanding Loans shall in no event be required to make the notations otherwise described in preceding clause (b). At any time when any Lender requests the delivery of a Note to evidence any of its Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Loans; *provided* that, to the extent a Note was previously delivered to such Lender but such Lender has since lost or misplaced such Note or the Note cannot otherwise be found, such Lender shall execute and deliver to the Borrower a customary lost note affidavit in form and substance reasonably satisfactory to the Borrower and such Lender.

SECTION 2.05. ***Fees***.

(a) The Borrower agrees to pay to the Administrative Agent for distribution to each Lender a yield enhancement fee (the "***Yield Enhancement Fee***") on the Closing Date equal to 2.0% of the aggregate Commitments (to the extent the Loan related to such Commitments are outstanding on the Closing Date).

(b) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent or the Lenders, as applicable. Once paid, to the extent the Loans related to such Fees are actually funded in accordance with the Loan Documents, none of the Fees shall be refundable under any circumstances or subject to any right of setoff, counterclaim or any similar right (each of which is hereby waived by Holdings and the Borrower).

SECTION 2.06. ***Interest on Loans***.

(a) Subject to the provisions of Section 2.07, the Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the sum of the Libor Rate plus 8.0% per annum (or, to the extent the Administrative Agent shall have delivered a LIBOR Unavailability Notice to the Borrower and the Lenders pursuant to Section 2.12(e), the Alternate Base Rate plus 7.0% per annum); *provided*, *however*, the Borrower may elect to pay, in kind, a portion of such accrued and unpaid interest (any such interest paid in kind, the "***PIK Interest***") due on any Interest Payment Date up to the maximum percentage set forth in the table below opposite the relevant period in which such Interest Payment Date occurs of the total accrued and unpaid interest payable on such Interest Payment Date; it being deemed that the Borrower has elected the maximum PIK Interest for each period during the term of this Agreement unless the Borrower shall have delivered a certificate executed by a Responsible Officer of the Borrower to the Administrative Agent certifying that the Borrower has elected to pay interest with respect to the Loans for the applicable period then ending (i) in such lesser percentage of PIK Interest and specifying the amount of such PIK Interest or (ii) in cash only. To change the type of payment of interest for any period, such officer's certificate must be delivered to the Administrative Agent at least 5 Business Days prior to the applicable Interest Payment Date for such period. The Borrower may specify in such officer's certificate whether such change in the type of payment of interest is just for a specific period or shall be applicable to all future periods during the term of the Agreement until another officer's certificate is delivered specifying a different type of payment of interest for a period or periods.

Period	*Maximum Percentage of Total Interest That May be Paid In Kind*
From and after the Closing Date to and including the second anniversary of the Closing Date	**80.0%**
After the second anniversary of the Closing Date to and including the third anniversary of the Closing Date	**70.0%**
After the third anniversary of the Closing Date	**60.0%**

All interest due and payable hereunder that the Borrower elects to pay in the form of PIK Interest shall be capitalized, added to the then-outstanding principal amount of the Loans as additional principal obligations hereunder on and as of such Interest Payment Date and shall automatically constitute a part of the outstanding principal amount of the Loans for all purposes hereof (including the accrual of interest thereon at the rates applicable to the Loans generally). Any determination of the principal amount outstanding under the Loans after giving effect to any payment of PIK Interest hereunder or otherwise that is reasonably made by the Administrative Agent or the Lenders in good faith shall be prima facie evidence of the correctness of such determination in the absence of manifest error.

(b) Interest on each Loan shall be payable on the Interest Payment Dates except as otherwise provided in this Agreement.

SECTION 2.07. ***Default Interest***. Upon the occurrence and during the continuation of any Event of Default, the outstanding principal amount of all Loans and, to the extent permitted by applicable law, any interest payments thereon not paid when due and any fees and other amounts then due and payable hereunder, shall thereafter, automatically in the case of an Event of Default under Sections 7.01(a), (g) or (h) and at the written election of the Administrative Agent (acting at the written direction of the Required Lenders) otherwise (it being understood that such election may apply retroactively to the date such other Event of Default occurred), bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable upon written demand at the rate otherwise applicable to a Loan pursuant to Section 2.06(a) plus 2.0% per annum. Payment or acceptance of the increased rates of interest provided for in this Section 2.07 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 2.08. ***Termination of Commitments***. The Commitments shall automatically terminate upon the making of the Loans on the Closing Date.

SECTION 2.09. ***Repayment of Loans***.

To the extent not previously paid, all Loans shall be due and payable on the Maturity Date (or, if such day is not a Business Day, on the next succeeding Business Day), in immediately available funds, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

SECTION 2.10. ***Optional Prepayment***.

(a) The Borrower shall have the right at any time and from time to time to prepay any of the Loans and other Obligations, in whole or in part, at 100% of the principal amount so prepaid, plus the prepayment premium (expressed as percentages of principal amount) set forth below (the "***Applicable Prepayment Premium***") determined for the prepayment date with respect to such principal amount to the applicable prepayment date (*provided, however*, that each partial prepayment shall be in an amount that is an integral multiple of $500,000 and not less than $1,000,000, in each case, unless the remaining outstanding amount of Loans is less than such amount):

If Prepaid:	***Percentage of the Principal***
From and after the Closing Date to but not including the second anniversary of the Closing Date	**3.0%**
From and after the second anniversary of the Closing Date to but not including the third anniversary of the Closing Date	**1.0%**
From and after the third anniversary of the Closing Date	**0%**

(b) The Borrower will give at least 3 Business Days' prior written notice of each optional prepayment under this Section 2.10 to the Administrative Agent. Each such notice shall specify the prepayment date, the aggregate principal amount of the Loans to be prepaid on such date, and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and, solely to the extent any such prepayment is made prior to the third anniversary of the Closing Date, shall be accompanied by a certificate of a Financial Officer of the Borrower as to the estimated Applicable Prepayment Premium due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Such notice shall be irrevocable and shall commit the Borrower to prepay the Loans by the amount stated therein on the date stated therein; *provided* that such notice may be contingent on the satisfaction of certain conditions set forth therein, and such notice shall be deemed revoked if the conditions set forth therein are not satisfied within the time periods set forth in such notice for the satisfaction thereof (or are waived in writing by the Borrower). All prepayments under this Section 2.10 shall be subject to Section 2.13. All prepayments under this Section 2.10 shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment, but, for the avoidance of doubt, no Applicable Prepayment Premium shall be paid or due (i) on any interest (other than, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) or amounts other than the principal amount of the Loans so prepaid or (ii) on the proceeds of a Cure Contribution or Cure Securities that are used to prepay the Loans. Each prepayment pursuant to this Section 2.10 in respect of the Loans shall be applied *pro rata* among such Loans.

SECTION 2.11. ***Mandatory Prepayments***.

(a) ***Net Asset Sale Proceeds***. Not later than the tenth Business Day following the receipt of Net Asset Sale Proceeds by the Borrower or any of its Subsidiaries, the Borrower shall either (1) apply an amount equal to 100% of the Net Asset Sale Proceeds received with respect thereto to prepay outstanding Loans in accordance with Section 2.11(e) and Section 2.11(f) or (2) so long as no Event of Default shall have occurred and be continuing, deliver to the Administrative Agent a certificate of a Responsible Officer stating that the Borrower or such Subsidiary intends to reinvest or enter into a binding commitment to reinvest such Net Asset Sale Proceeds in assets used or that are useful in the business of the Borrower and its Subsidiaries within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, within 405 days) of such date of receipt of such Net Asset Sale Proceeds. In addition, the Borrower shall, no later than 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) after receipt of such Net Asset Sale Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Loans in an amount equal to the full amount of all such Net Asset Sale Proceeds in accordance with Section 2.11(e) and Section 2.11(f) within ten Business Days after the last day of the 270 or 405 day period, as applicable. Notwithstanding anything to the contrary herein, with respect to the Disposition of any Revolving Loan Priority Collateral, the Borrower's obligation to prepay the Loans under this Section 2.11(a) shall be deemed satisfied to the extent that the amount that would otherwise be required to be used to prepay the Loans under this Section 2.11(a) is (y) required to be applied and is in fact applied to prepay the loans (but without requiring any permanent reduction of the commitments under the Revolving Loan Agreement) within the time period required by the terms of the Revolving Loan Agreement (including any grace period provided in connection therewith) or (z) reinvested in the business of the Borrower and its Subsidiaries pursuant to the terms of the Revolving Loan Agreement.

(b) ***Net Insurance/Condemnation Proceeds***. No later than the tenth Business Day following the date of receipt by the Borrower or any of its Subsidiaries of any Net Insurance/Condemnation Proceeds in excess of $500,000 for all Casualty Events in any fiscal year of the Borrower, the Borrower shall prepay the Loans in an aggregate amount equal to such excess; *provided*, so long as no Event of Default shall have occurred and be continuing, the Borrower shall have the option, directly or through one or more of its Subsidiaries to invest such excess amount within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof (i) in assets used or that are useful in the business of the Borrower and its Subsidiaries or (ii) to repair, restore or replace the assets subject to the applicable Casualty Event; and *provided*, *further*, that an amount equal to any such Net Insurance/Condemnation Proceeds that have not been reinvested within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof shall be applied by the Borrower to prepay the Loans in accordance with Section 2.11(e) and Section 2.11(f). Notwithstanding anything to the contrary herein, with respect to any Net Insurance/Condemnation Proceeds of any Revolving Loan Priority Collateral (as defined in the Intercreditor Agreement), the Borrower's obligation to prepay the Loans under this Section 2.11(b) shall be deemed satisfied to the extent that the amount that would otherwise be required to be used to prepay the Loans under this Section 2.11(b)(iii) is (y) required to be applied and is in fact applied to prepay the loans (but without requiring any permanent reduction of the commitments under the Revolving Loan Agreement) within the time period required by the terms of the Revolving Loan Agreement (including any grace period provided in connection therewith) or (z) reinvested in the business of the Borrower and its Subsidiaries pursuant to the terms of the Revolving Loan Agreement.

(c) ***Issuance of Indebtedness***. On the date of receipt of the Net Securities Proceeds from the issuance of any Indebtedness of Holdings, the Borrower or any of its Subsidiaries after the Closing Date (other than Indebtedness permitted under Section 6.01), the Borrower shall prepay the Loans in accordance with Section 2.11(e) and Section 2.11(f) in an aggregate amount equal to such Net Securities Proceeds.

(d) ***Change of Control***. Upon the occurrence of a Change of Control, the Borrower shall offer to prepay all Loans then outstanding at 100% of the principal amount, plus the prepayment premium (expressed as percentages of principal amount) set forth below (the "***Change of Control Prepayment Premium***") determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such Loans outstanding on the applicable prepayment date:

If Prepaid:	***Percentage***
From and after the Closing Date up to but not including the first anniversary of the Closing Date	**2.0%**
From and after the first anniversary of the Closing Date up to but not including the second anniversary of the Closing Date	**1.0%**
From and after the second anniversary of the Closing Date up to but not including the third anniversary of the Closing Date	**0.25%**
From and after the third anniversary of the Closing Date	**0%**

(e) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.11 a certificate signed by a Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and to the extent practicable, at least three days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the principal amount of each Loan (or portion thereof) to be prepaid, and, if applicable, the Applicable Prepayment Premium or Change of Control Prepayment Premium due in connection with such prepayment. All prepayments of Loans under this Section 2.11 shall be subject to Section 2.11(f), Section 2.11(g) and Section 2.13 and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment. For the avoidance of doubt, no Applicable Prepayment Premium or Change of Control Prepayment Premium shall be due on interest (other than, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) or any amount other than the principal amount of the Loans so prepaid.

(f) Notwithstanding anything to the contrary herein, any Lender may elect, by notice to the Borrower, prior to any prepayment of Loans or an offer to prepay the Loans required to be made by the Borrower pursuant to paragraph (a), (b), (c) or (d), as applicable, of this Section 2.11, to decline all (but not a portion) of its *pro rata* share of such prepayment (such declined amounts, the "***Declined Proceeds***"). Any Declined Proceeds shall be offered on a *pro rata* basis to the Lenders not so declining such prepayment. To the extent such non-declining Lenders elect to decline their *pro rata* shares of such Declined Proceeds, such Declined Proceeds may be retained by the Borrower.

(g) With respect to any prepayment of Loans (including capitalized PIK Interest) required to be made by the Borrower pursuant to paragraph (d), the Borrower shall pay the Change of Control Prepayment Premium determined for the prepayment date with respect to such principal amount paid.

(h) With respect to any prepayment of Loans (including capitalized PIK Interest) required to be made by the Borrower pursuant to paragraph (c) of this Section 2.11 or Article VII (other than on account of an acceleration resulting solely from a breach of Section 6.10), the Borrower shall pay the Applicable Prepayment Premium determined for the prepayment date with respect to such principal amount paid. For the avoidance of doubt, no Applicable Prepayment Premium, Change of Control Prepayment Premium or any other prepayment premium shall be required to be paid with respect to any prepayment pursuant to paragraphs (a) or (b) of this Section 2.11.

SECTION 2.12. ***Reserve Requirements; Change in Circumstances***.

(a) Notwithstanding any other provision of this Agreement, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or shall impose on such Lender any other condition affecting this Agreement or Loans made by such Lender; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, upon written demand, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender shall have reasonably determined that any Change in Law regarding capital adequacy or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender pursuant hereto to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section 2.12 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate delivered by it within 10 Business Days after its receipt of the same.

(d) Failure or delay on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be under any obligation to compensate any Lender under paragraph (a) or (b) of this Section 2.12 with respect to increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies in writing the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof). The protection of this Section 2.12(d) shall be available to each Lender and regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

(e) Notwithstanding anything to the contrary, in the event that the Administrative Agent shall have reasonably determined that dollar deposits in the principal amounts of the Loan are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to the majority of Lenders of making or maintaining loans at the three-month London Interbank Offered Rate, or that reasonable means do not exist for ascertaining the Libor Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the Lenders (a "***LIBOR Unavailability Notice***"). In the event of any such reasonable determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, interest on the Loan shall accrue by reference to the Alternate Base Rate. Each determination by the Administrative Agent under this Section 2.12(e) shall be *prima facie* evidence absent manifest error.

SECTION 2.13. ***Indemnity***. Subject to the limitations set forth in Section 9.05(b) and the time period for payment set forth in Section 9.05(e), the Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of any default by the Borrower in the making of any payment or prepayment required to be made hereunder. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error.

SECTION 2.14. ***Pro Rata Treatment***. Except as otherwise provided in this Agreement the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations hereunder, the Administrative Agent shall distribute such payment to the Lenders entitled thereto (other than any Lender that has consented in writing to waive its *pro rata* share of any such payment) *pro rata* based upon their respective shares, if any, of the Obligations with respect to which such payment was received. This Section 2.14 is subject to Section 2.19.

SECTION 2.15. ***Ratable Sharing***. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (but excluding any sale or participation of its Loans to a Person other than the Borrower or an Affiliate thereof, which shall be included), obtain payment (voluntary or involuntary) in respect of any principal of any Loan as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall (a) notify the Administrative Agent of such fact and (b) be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Lender shall be in the same

proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided*, *however*, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.15 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower and Holdings expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim or other event with respect to any and all moneys owing by the Borrower and Holdings to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.16. ***Payments***.

(a) Except with respect to any PIK Interest pursuant to Section 2.06, the Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder and under any other Loan Document not later than 11:00 a.m., Local Time, on the date when due in immediately available Dollars, without setoff, defense (other than the defense of payment) or counterclaim. Subject to Section 2.19, each such payment shall be made to the Administrative Agent for distribution to the Lenders or other appropriate Person. Each such payment that is payable to a Lender shall be paid directly to such Lender at the office identified on Schedule 2.01 for such Lender or as otherwise directed by such Lender in writing from time to time, and each such payment that is payable to the Administrative Agent or the Collateral Agent shall be paid directly to the Administrative Agent or Collateral Agent, as applicable, at their respective offices identified on Schedule 2.01 or as otherwise directed by the Administrative Agent or Collateral Agent, as applicable, in writing from time to time.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.17. ***Taxes***.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Holdings and the Borrower shall, or shall cause each of the Loan Parties to, timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Administrative Agent has not already been indemnified by any of the Loan Parties for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(g) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, the Borrower shall, or shall cause such Loan Party to, deliver to the Administrative Agent or the applicable Lender, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent or the applicable Lender, as the case may be.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the applicable Withholding Agent such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17 (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, any Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such Tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that (A) such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (B) the interest payments in question are not effectively connected with a U.S. trade or business conducted by such Foreign Lender (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN;

(iv) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership), executed originals of IRS Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if one or more direct or indirect beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender shall provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect beneficial owner; or

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the

reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(D) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such Tax had never been paid.

(h) Nothing contained in this Section 2.17 shall require any Lender (or any transferee or assignee) or either Agent to make available any of its Tax Returns or any other information that it deems to be confidential or proprietary.

SECTION 2.18. ***Assignment of Loans Under Certain Circumstances; Duty to Mitigate***.

(a) Notwithstanding anything to the contrary set forth in this Agreement, in the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.12, (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.17 or (iii) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, and, in the case of clause (i) or (ii), such Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(b) that would not require such compensation or requirement to pay such amounts, the Borrower, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, may require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.12 or Section 2.17) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that, (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, and (z) the Borrower or such assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans of such Lender, plus all Fees and other amounts that have accrued and have earned for the account of such Lender hereunder with respect thereto (including any amounts under Section 2.12 and Section 2.13); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.12 or the amounts paid pursuant to Section 2.17, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital or cease to result in amounts being payable under Section 2.17, as the case may be (including as a result of any action taken by such Lender pursuant to paragraph (b) of this Section 2.18), or if such Lender shall waive its right to claim further compensation under Section 2.12 in respect of such circumstances or event or shall waive its right to further payments under Section 2.17 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder; *provided*, *however*, that any prior transfer or assignment shall still be in full force and effective. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.18.

(b) If (i) any Lender shall request compensation under Section 2.12 or (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) to assign (at the request of the Borrower) its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.12 or would reduce amounts payable pursuant to Section 2.17, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

SECTION 2.19. ***Obsidian Agency Services as Administrative Agent.*** Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, at any time that Obsidian Agency Services, Inc. serves as the Administrative Agent hereunder, (a) the Lenders shall directly fund the Loans to the Borrower, (b) each Lender shall provide wire instructions to the Borrower with respect to payments to be received from the Borrower hereunder and the Borrower shall directly make any payments required or permitted hereunder to the Lenders and (c) neither the Lenders nor the Borrower shall remit any funds to the Administrative Agent to forward to another party hereunder.

SECTION 2.20. ***Tax Treatment***.

(a) Holdings, the Borrower and each of the Lenders agree, (i) that the Loans are debt for U.S. federal income tax purposes, (ii) that the Loans are issued with original issue discount ("***OID***") solely on account of the PIK Interest and value allocated to the Warrants under Section 2.20(b), (iii) that the Loans are not governed by the rules set out in Treasury Regulations Section 1.1275-4 and (iv) not to file any Tax Return, report or declaration inconsistent with the foregoing, except as otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any corresponding provision of state, local or foreign tax law).

(b) In connection with the Loans, each of the Lenders is receiving Warrants on the Closing Date. The Loans and Warrants are considered to be the issuance of an "investment unit" under Section 1273(c)(2) of the Code, and the parties agree that the aggregate fair market value of the Warrants shall be $1,060,000 for purposes of the investment unit allocation rules under Section 1273(c)(2) of the Code. The Borrower and each of the Lenders agree to report in a manner that is consistent with this allocation for all tax purposes.

(c) The inclusion of this Section 2.20 is not an admission by any Lender that it is subject to United States taxation.

SECTION 2.21. ***AHYDO***. Notwithstanding anything herein to the contrary, if (1) the Loans remain outstanding after the fifth anniversary of the initial issuance thereof and (2) the aggregate amount of the accrued but unpaid interest on the Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of any Testing Date occurring after such fifth anniversary exceeds an amount equal to the Maximum Accrual, then all such accrued but unpaid interest on the Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of such time in excess of an amount equal to the Maximum Accrual shall be paid in cash by the Borrower to the Lenders on such Testing Date, it being the intent of the parties hereto that the deductibility of interest under the Loans shall not be limited or deferred by reason of Section 163(e)(5) and Section 163(i) of the Code. For these purposes, the "Maximum Accrual" is an amount equal to the product of such Loans' issue price (as defined in Code Sections 1273(b) and 1274(a)) and their yield to maturity, and a "Testing Date" is the date on which any "accrual period" (within the meaning of Section 1272(a)(5) of the Code) closes.

SECTION 2.22. ***Incremental Facility.***

(a) From time to time after the Closing Date, but not more than three occasions during the term of the Loans, Borrower may by written notice to the Administrative Agent, elect prior to the Maturity Date, the establishment of one or more new term loan commitments (the "***Incremental Commitments***"), by (1) an amount not in excess of $25,000,000 in the aggregate and (2) and not less than $1,000,000 individually (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or conditioned) or (y) constitute the difference between $25,000,000 and all such Incremental Commitments obtained prior to such date), and integral multiples of $1,000,000 in excess of that amount (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or

conditioned) or (y) constitute the difference between $25,000,000 and all such Incremental Commitments obtained prior to such date). Each such notice shall specify (A) the date (each, an "***Increased Amount Date***") on which Borrower determines that the Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent (or such shorter period as shall be reasonably acceptable to the Administrative Agent) and (B) the identity of each Lender or other Person (each of which must be an Eligible Incremental Lender) (each, an "***Incremental Lender***") to whom Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations; *provided*, that each existing Lender shall first be afforded, by written notice to the Administrative Agent (which notice shall be promptly forwarded by the Administrative Agent to the applicable existing Lenders and the Administrative Agent agrees to promptly forward such notice to the Lenders prior to the Increased Amount Date, but any failure to deliver such notice shall not prevent the above-mentioned ten (10) Business Day period from running after the Administrative Agent has received such notice) , the opportunity to provide its Loan Commitment Percentage of any Incremental Commitments, as applicable; *provided*, *further*, that any Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment. Each Lender may elect to provide all or a portion of its Loan Commitment Percentage of any Incremental Commitments, as applicable, by providing written notice (each, an "***Acceptance Notice***") to the Administrative Agent and the Borrower no later than 5:00 p.m. Local Time ten (10) days after the date of the Administrative Agent's receipt of notice from the Borrower. Each Acceptance Notice from a given Lender shall specify the principal amount of the Incremental Commitment to be provided by such Lender. If a Lender fails to deliver an Acceptance Notice to the Administrative Agent within the time frame specified above or such Acceptance Notice fails to specify the principal amount of the Incremental Commitments to be provided, any such failure will be deemed a rejection of the opportunity to provide any portion of the Incremental Commitment, and the Borrower may have other Persons provide the remaining uncommitted portion of the Incremental Commitments. Such Incremental Commitments shall become effective as of such Increased Amount Date; *provided* that after giving effect to the making of any Incremental Loans and the use of proceeds thereof, (I) no Default or Event of Default shall have occurred and be continuing under any of the Loan Documents; (II) each of the representations and warranties set forth in Article III shall remain true and correct in all material respects (without duplication of any materiality qualifiers contained therein); and (III) the Consolidated Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be) delivered pursuant to Sections 5.04 (a) or (b) and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00. The Incremental Commitments, as applicable, shall be effected pursuant to one or more amendments (each, an "***Incremental Loan Amendment***") executed and delivered by Borrower, the Incremental Lender and the Administrative Agent and each of which shall be recorded in the Register (*provided* that the Administrative Agent agrees to execute and deliver any Incremental Loan Amendment satisfying the requirements of this Section 2.22 and otherwise in compliance with the terms of this Agreement).

(b) Any Incremental Loans made on an Increased Amount Date shall be designated a separate Tranche of Incremental Loans for all purposes of this Agreement. On any Increased Amount Date on which any Incremental Commitments are effected, subject to the satisfaction or waiver of the foregoing terms and conditions, (i) each Incremental Lender shall make a loan to Borrower (an "***Incremental Loan***") in an amount equal to its Incremental Commitment, and (ii) each Incremental Lender shall become a Lender hereunder with respect to the Incremental Commitment and the Incremental Loans made pursuant thereto.

(c) The Administrative Agent shall notify the Lenders promptly upon receipt of Borrower's notice of each Increased Amount Date and in respect thereof the Incremental Commitments and the Incremental Lenders.

(d) The terms and provisions of the Incremental Loans and Incremental Commitments shall be as agreed between Borrower and the Incremental Lenders providing such Incremental Loans and Incremental Commitments and except as otherwise permitted pursuant to this clause (e), shall be either on terms (x) substantially consistent (taken as a whole) with the Loans made on the Closing Date or (y) no more favorable (taken as a whole) to the Incremental Lenders than the terms applicable to the Loans made on the Closing Date. In any event:

(i) the Incremental Loans shall rank *pari passu* in right of payment and be equal with respect to security with the Loans made on the Closing Date;

(ii) the Weighted Average Life to Maturity of the Incremental Loans shall be no shorter than the Weighted Average Life to Maturity of the Loans made on the Closing Date (except by virtue of prepayment of such Loans prior to the time of such incurrence);

(iii) the final maturity date of the Incremental Loans shall be no earlier than the Maturity Date of the Loans made on the Closing Date;

(iv) at the option and agreement of the Borrower and the Incremental Lenders, the Incremental Loans may share ratably in right of prepayment with the Loans on the Closing Date pursuant to Sections 2.10 and 2.11 or otherwise; and

(v) the all-in yield applicable to such Incremental Loans (including interest rate margins and interest rate floors with respect to such Incremental Loans (based on the lesser of a four-year average life to maturity and the remaining life to maturity) (but only to the extent an increase in the interest floor in the Loans made on the Closing Date would cause an increase in the interest rate then in effect hereunder, and in such case, the interest rate floor (but not the interest rate margin) applicable to such Loans made on the Closing Date shall be increased to the extent of such differential above the 0.50% threshold below between interest rate floors), but excluding arrangement, structuring, underwriting, amendment or other fees paid or payable to the Administrative Agent, the Collateral Agent, the Lenders on the Closing Date or their Affiliates or that are not generally paid to all lenders of such type of indebtedness) shall not be greater than the corresponding all-in yield applicable to the Loans made on the Closing Date plus 0.50% per annum (any such amount in excess of such 0.50% threshold, the "***Excess Rate***") unless the interest rate margin with respect to the Loans made on the Closing Date are increased by an amount equal to the Excess Rate.

(e) Each Incremental Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable and mutual opinion of the Agents and Borrower to effect the provision of this Section 2.22, and for the avoidance of doubt, this Section 2.22 shall supersede any provisions in Sections 2.14 or 9.08 to the contrary.

(f) The Loans and Commitments extended or established pursuant to this Section 2.22 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Credit Documents, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure or demonstrate that the

Lien and security interests granted in the Collateral by the Security Documents continue to be perfected under the Uniform Commercial Code or otherwise after giving effect to the extension or establishment of any such Loans or any such Commitments.

ARTICLE III

Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans, each of Holdings and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders on the Closing Date that:

SECTION 3.01. ***Organization; Powers***. Each of the Loan Parties and their respective Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is or will be a party and, in the case of the Borrower, to borrow Loans hereunder.

SECTION 3.02. ***Authorization***. The entering into the Loan Documents to which the Loan Parties are parties thereto (a) have been duly authorized by all requisite corporate or other entity and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) any provision of the certificate or articles of incorporation or other Organizational Documents or bylaws of Holdings, the Borrower or any Subsidiary, (C) any order of any Governmental Authority, except as would not reasonably be expected to have a Material Adverse Effect, or (D) any provision of any Contractual Obligation to which Holdings, the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Contractual Obligation relating to Material Indebtedness to which Holdings, the Borrower or any Subsidiary is a borrower or guarantor party thereunder or by which any of them or any of their property is or may be bound as a borrower or guarantor thereunder, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Holdings, the Borrower or any Subsidiary (other than any Lien created hereunder or under the Security Documents, or to the extent in existence at such time, under the Revolving Loan Documents).

SECTION 3.03. ***Enforceability***. This Agreement has been duly executed and delivered by Holdings and the Borrower and constitutes, and each other Loan Document when executed and delivered by each Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. ***Governmental Approvals; Third Party Approvals***. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority or any other Person is or will be required in connection with entering into the Loan Documents to which the Loan Parties are parties thereto, except for (a) the filing of UCC financing statements and filings with the

United States Patent and Trademark Office and the United States Copyright Office, (b) recordation of the Mortgages, (c) such as have been made or obtained and are in full force and effect, and (d) those the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.05. ***Financial Statements***.

(a) The Borrower has heretofore furnished to the Administrative Agent (i) audited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2012, audited by and accompanied by the opinion of Moss Adams LLP, independent public accountants, (ii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal quarter after December 31, 2012 and ended 46 days before the Closing Date and (iii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal month after December 31, 2012 and ended 31 days before the Closing Date and, in each case, certified by a Financial Officer of the Borrower. Such financial statements present fairly, in all material respects, the financial condition and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof required to be disclosed pursuant to GAAP. Such financial statements were prepared in accordance with GAAP (except (A) in the case of unaudited financial statements, for the lack of footnotes and being subject to year–end or quarter-end audit adjustments, as applicable, and (B) in respect of any monthly financial statements).

(b) The consolidated forecasted balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries have been delivered to the Administrative Agent on or prior to the Closing Date and (a) have been prepared on good faith estimates and assumptions believed by the Loan Parties to be reasonable as of the date of such projections and as of the Closing Date, and (b) present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its Subsidiaries described therein as of such date and for such periods set forth therein, on a pro forma basis assuming that the Transactions contemplated hereby had occurred at such dates (it being understood and agreed that (x) any financial or business projections or forecasts furnished are subject to significant uncertainties and contingencies, which may be beyond the control of any Loan Party, (y) no assurance is given by any Loan Party that the results or forecast in any such projections will be realized and (z) the actual results may differ from the forecast results set forth in such projections and such differences may be material).

SECTION 3.06. ***Title to Properties; Possession Under Leases***.

(a) Each of the Loan Parties and their respective Subsidiaries has good and marketable title to, or valid leasehold interests in, substantially all its properties and assets, except for minor defects in title that do not interfere in any material respects with its ability to conduct its business as currently conducted or except as would not reasonably be expected to have a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Loan Parties and their respective Subsidiaries has complied with its obligations under all leases (with respect to properties that are material to the business of the Loan Parties and their respective Subsidiaries taken as a whole) to which it is a party and all such leases are in full force and effect, in each case, except where the failure to comply or to be in full force or effect would not reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties and their respective Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for Liens permitted by Section 6.02.

SECTION 3.07. ***Subsidiaries; Ownership Interests***.

(a) Schedule 3.07(a) sets forth as of the Closing Date a list of all Subsidiaries of Holdings and the percentage ownership interest of Holdings, the Borrower and its Subsidiaries in such Subsidiaries of Holdings. As of the Closing Date, the shares of capital stock or other ownership interests so indicated on Schedule 3.07(a) are fully paid and non-assessable and are owned by Holdings, the Borrower or such Subsidiary, directly or indirectly, free and clear of all Liens (other than Liens created under the Security Documents and non-consensual Liens permitted by Section 6.02(iv)). All outstanding Equity Interests of each of Borrower and its Subsidiaries, as of the Closing Date, are duly and validly issued. All of the issued and outstanding Equity Interests of the Borrower are legally and beneficially owned and Controlled directly by Holdings

(b) Except as set forth in Schedule 3.07(c), the Borrower does not have and is not bound by any outstanding subscriptions, options, warrants, calls, commitments or agreement of any character calling for the purchase or issuance of any Equity Interests of the Borrower or any securities representing the right to purchase or otherwise receive any Equity Interests of the Borrower.

(c) The capitalization table attached as Exhibit F to this Agreement accurately reflects the ownership interests of SLS Breeze Holdings, Inc. (on a fully diluted basis) both immediately prior to and immediately following the Closing Date.

(d) In connection with the Acquisition, Holdings has received the cash equity contribution (inclusive of rollover equity) in an aggregate amount of not less than $190,000,000, directly or indirectly, from the Permitted Holders and the other co-investors in SLS Breeze Holdings, Inc.

SECTION 3.08. ***Litigation; Compliance with Laws***.

(a) Except as set forth on Schedule 3.08, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Holdings or the Borrower, threatened in writing (including by email or other electronic means) against or affecting any of the Loan Parties or their respective Subsidiaries or any business, property or rights of any such Person that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect

(b) None of the Loan Parties or their respective Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any zoning, building, Environmental Law, ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09. ***Agreements***. None of the Loan Parties or their respective Subsidiaries is in any material respect in default under or in violation of the performance of any of its obligations under any of its Organizational Documents.

SECTION 3.10. ***Federal Reserve Regulations***.

(a) None of the Loan Parties or their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, Regulation U or Regulation X.

SECTION 3.11. ***Government Regulation***. None of the Loan Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940. None of the Loan Parties is subject to regulation under the Federal Power Act, the Interstate Commerce Act, the ICC Termination Act, as amended, or under any other federal or state statute or regulation that may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

SECTION 3.12. ***Use of Proceeds***. The Borrower will use the proceeds of the Loans only for the purposes specified in Section 5.08.

SECTION 3.13. ***Tax Returns***. Each of the Loan Parties and their respective Subsidiaries has filed or caused to be filed all federal and material state, local and foreign Tax Returns required to have been filed by it and has paid or caused to be paid all Taxes due and payable by it, except Taxes that are being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP. Except as would not reasonably be expected to have a Material Adverse Effect, no written claim has been asserted, with respect to any Taxes (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP). From the date of the Borrower's formation until the date of termination of the Borrower's "S Corporation" status resulting from the Acquisition (the "Termination Date"), Borrower has qualified as an "S Corporation" within the meaning of Section 1361 of the Code and, unless otherwise required by applicable law, under all state and local jurisdictions in which it is subject to income Tax (or franchise Tax in the nature of an income Tax). Each Subsidiary (if any) of the Borrower, from the date of its formation until the Termination Date, has either qualified as a "qualified subchapter S subsidiary" within the meaning of 1361(a)(3) of the Code or a "disregarded entity" within the meaning of Treasury Regulation Section 301.7701-2. Unless otherwise required by applicable law, the tax classification of the Borrower and each Subsidiary (if any) of the Borrower under all state and local jurisdictions have been at all times the same as their federal classification.

SECTION 3.14. ***No Material Misstatements***. The information that the Loan Parties have provided, directly or indirectly, in writing, taken as a whole, to the Administrative Agent is not materially misleading and does not contain any material misstatement of fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were, not materially misleading as of the date such information is dated or certified.

SECTION 3.15. ***Employee Benefit Plans***.

(a) Except as would not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan of the Borrower and its ERISA Affiliates is in compliance with its terms and the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, none of the Borrower or any ERISA Affiliate contributes to, participates in or in any way, directly or indirectly, has any liability with respect to any plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA, including, without limitation, any "multiemployer plan" (within the meaning of Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code) or any "single-employer plan" (within the meaning of Section 4001(a)(15) of ERISA) which is subject to Sections 4063, 4064 or 4069 of ERISA. There are no pending or threatened in writing (including by email or other electronic means) claims, sanctions, actions or lawsuits, asserted or instituted against any Employee Benefit Plan or any Person as fiduciary or sponsor of any such Employee Benefit Plan which could reasonably be expected to result in a Material Adverse Effect. Except as would not result in a Material Adverse Effect, none of the Borrower or any ERISA Affiliate has or could have any liability, whether for contributions, funding, benefits or otherwise, with respect to any Foreign Plan.

SECTION 3.16. ***Environmental Matters***. None of the Loan Parties or their respective Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, except to the extent such failure could not reasonably be expected to result in a Material Adverse Effect, (ii) has become subject to any Environmental Liability that could reasonably be expected to result in a Material Adverse Effect, (iii) has received notice of any written claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability, that could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.17. ***Insurance***. Schedule 3.17 sets forth a true, complete and correct description of all material insurance maintained by the Loan Parties and their respective Subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid. The Loan Parties and their respective Subsidiaries have insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.18. ***Security Documents***.

(a) The Guarantee and Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Guarantee and Collateral Agreement) and the proceeds thereof except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and except with respect to any additional actions and documents that need to be entered into that are required under foreign law (with respect to any Equity Interests of a Foreign Subsidiary or assets or property located in a foreign jurisdiction) to create a legal, valid and enforceable security interest and (i) when the original Pledged Collateral (as defined in the Guarantee and Collateral Agreement), along with any necessary transfer documents or instruments, is delivered to the Collateral Agent, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral, in each case prior and superior in right to any other Person (in each case, other than (y) Liens granted under the Revolving Loan Documents to the extent the Intercreditor Agreement provides such Liens prior or superior priority in right and (z) non-consensual Liens permitted under Section 6.02(iv)), and (ii) (A) for Collateral with respect to which a security interest may be perfected only by possession or control, upon the taking of possession or control by the Collateral Agent of such Collateral, (B) when financing

statements in appropriate form are filed in the offices specified on Schedule 3.18(a), (C) the actions described in clause (i) above with respect to Pledged Collateral and (D) upon taking (1) any other perfection action as may be required under the UCC or any other applicable law and (2) any other action (including creation action) as may be required under foreign law, the Lien on the Collateral created under the Guarantee and Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (other than federally registered copyrights) in which a security interest may be perfected pursuant to Article 9 of the UCC, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02.

(b) Upon the recordation of the fully-executed Guarantee and Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Collateral Agent) with the United States Copyright Office, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the federally registered Copyrights (as defined in the Guarantee and Collateral Agreement) in which a security interest may be perfected by filing in the United States, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02 (it being understood that subsequent recordings in the United States Copyright Office may be necessary to perfect a Lien on registered copyrights acquired by the Loan Parties after the date hereof).

SECTION 3.19. ***Location of Real Property and Leased Premises***.

(a) Schedule 3.19(a) lists completely and correctly as of the Closing Date all real property owned by each Loan Party and their respective Subsidiaries and the addresses thereof. As of the Closing Date, the Loan Parties and their Subsidiaries own in fee all the real property set forth on Schedule 3.19(a).

(b) Schedule 3.19(b) lists completely and correctly as of the Closing Date all real property leased by each Loan Party and their respective Subsidiaries and the addresses thereof. As of the Closing Date, the Borrower and the Subsidiaries have a valid leasehold interest in all the real property set forth on Schedule 3.19(b) that is material to the ordinary conduct of its business, except where failure to have such a valid leasehold interest could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.20. ***Labor Matters***. As of the Closing Date, there are no strikes, lockouts or slowdowns against any of the Loan Parties pending or, to the knowledge of Holdings or the Borrower, threatened (in writing (including by email or other electronic means)). The hours worked by and payments made to employees of the Loan Parties or their Subsidiaries have not been in material violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from any of the Loan Parties or their Subsidiaries, or for which any claim has been made against any of the Loan Parties or their Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Parties or their Subsidiaries. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any of the Loan Parties or their Subsidiaries is bound.

SECTION 3.21. ***Solvency***. Immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of the Loans and the Revolving Loans and immediately after giving effect to the application of the proceeds of the Loans and the Revolving Loans used on the Closing Date, (a) the fair value of the assets (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a

consolidated basis will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Loan Parties and their respective Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Loan Parties and their respective Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date. Such foregoing determination has been made by the chief executive officer, chief financial officer or other Financial Officer, if any, of the Borrower and is based on such officer's actual knowledge and such officer has not conveyed any information to the contrary to any other Person at any time on the date that this representation and warranty is being made or deemed made.

SECTION 3.22. ***No Material Adverse Effect***. Since December 31, 2012, there has been no development or event, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.23. ***Sanctioned Persons***. None of the Loan Parties or their respective Subsidiaries nor, to the knowledge of Holdings or the Borrower, any director, officer, agent, employee or Affiliate of any of the Loan Parties or any of their respective Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("***OFAC***"); the Borrower will not directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

SECTION 3.24. ***Financial Advisors***. Except as set forth in Schedule 3.24, no agent, broker, investment banker, finder, financial advisor or other Person is or will be entitled to any broker's or finder's fee or any other commission or similar fee from any Loan Party or any of the Loan Parties' Subsidiaries with respect to this Agreement or any of the other Loan Documents or any of the Transactions occurring on the Closing Date, and the Borrower hereby indemnifies (subject to the same carve-outs that are in Section 9.05) the Lenders and the Administrative Agent against, and agrees that it will hold the Lenders and the Administrative Agent harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable and documented out-of-pocket fees, expenses and disbursements of counsel) arising in connection with any such claim, demand or liability, in each case, in accordance with Section 9.05.

SECTION 3.25. ***Foreign Assets Control Regulations, Etc***.

(a) Neither the borrowing of the Loans by the Borrower hereunder nor its use of the proceeds thereof will violate (i) the United States Trading with the Enemy Act, as amended, (ii) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (iii) Executive Order No. 13,224, 66 Fed Reg 49,079 (2001), issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) (the "***Terrorism Order***") or (iv) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001). No part of the proceeds from the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(b) No Loan Party and no Subsidiary of a Loan Party (i) is or will become a "blocked person" as described in Section 1.01 of the Terrorism Order or (ii) to its actual knowledge engages or will engage in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each of the Loan Parties and its Affiliates are in compliance, in all material respects, with the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001).

SECTION 3.26. ***Deposit Accounts; Securities Accounts***. Set forth on Schedule 3.26 is a listing of all of the Loan Parties' Deposit Accounts and Securities Accounts as of the Closing Date including, with respect to each bank or securities intermediary (a) the name and address of such Person, (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person, and (c) the relevant Loan Party or Loan Parties.

SECTION 3.27. ***Indebtedness***. No Loan Party or Subsidiary of any Loan Party has any liability for any Indebtedness other than the Indebtedness permitted under Section 6.01.

SECTION 3.28. ***Intellectual Property; Copyright Matters***.

(a) Except as set forth on Schedule 3.28(a) or as thereafter otherwise disclosed in writing to the Administrative Agent by the Borrower as required by Section 5.04(d), no Loan Party and no Subsidiary of any Loan Party owns any registered patents, patent applications, registered trademarks, trademark applications, registered trade names, registered service marks, service mark applications, registered copyrights or copyright applications. Each Loan Party and each of the Loan Parties' respective Subsidiaries owns directly, or is entitled to use by license (listed on Schedule 3.28(a)) or otherwise, all Intellectual Property material to the conduct of such Loan Party's businesses. All items listed on Schedule 3.28(a) and the further items disclosed pursuant to Section 5.04(d) are and, at all times (except to the extent no longer deemed material to the conduct of the business of the Loan Parties and the Loan Parties' Subsidiaries in the good faith business judgment of the Loan Parties) will be: (a) subsisting and have not been adjudged invalid or unenforceable, in whole or part; (b) to the extent that can be reasonably anticipated, valid, in full force and effect and not in known conflict with the rights of any Person, in each case and (c) free and clear of all Liens, security interests, or other encumbrances other than Liens permitted by Section 6.02. Each Loan Party and each of the Loan Parties' Subsidiaries has made all filings and recordings such Loan Party or Subsidiary deems necessary in the exercise of reasonable and prudent business judgment to protect its interest in the Intellectual Property of such Loan Party or Subsidiary material to the conduct of such Loan Party's businesses in the United States Patent and Trademark Office, and the United States Copyright Office, as appropriate. Except for not making filings or recordings in its exercise of such judgment, each Loan Party and each of the Loan Parties' Subsidiaries has performed all material acts and has paid all material required fees and taxes to maintain each and every item of the Intellectual Property of such Loan Party or Subsidiary in full force and effect, except such items of Intellectual Property as are no longer deemed material to the conduct of the businesses of the Loan Parties and the Loan Parties' Subsidiaries in the reasonable business judgment of the Loan Parties. There are no pending or, to the knowledge of the Loan Parties, threatened in writing (including by email or other electronic means) applications, proceedings or litigation, which, if successful, could reasonably be expected to materially and adversely affect any Intellectual Property of any Loan Party or any of its Subsidiaries material to the conduct of such Loan Party's or such Subsidiaries' businesses, and, to the knowledge of the Loan Parties, no Person is infringing, misusing, violating or breaching such Intellectual Property in any material respect. Neither any Loan Party nor any of its Subsidiaries has received written notice of any claim of infringement, misuse, violation or breach by such Loan Party or any of its Subsidiaries of any Intellectual Property owned or controlled by another Person which infringement, misuse, violation or breach could reasonably be expected to result in,

individually or in the aggregate, a Material Adverse Effect. To the actual knowledge of Holdings and the Borrower, no Loan Party and no Subsidiary of any Loan Party is in breach of or default under the provisions of any of the foregoing, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute, or result in a conflict, breach, default or event of default under, any of the foregoing that reasonably could be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

SECTION 3.29. ***Activities of Holdings***. Holdings is not engaged in any activities other than those activities permitted by Section 6.13.

ARTICLE IV

Conditions of Lending

SECTION 4.01. ***Conditions Precedent to Closing***.

The obligations of the Lenders to make Loans hereunder are subject to the satisfaction or waiver of the following conditions on the Closing Date:

(a) ***Loan Party Documents***. The Administrative Agent shall have received the following from or with respect to each Loan Party:

(i) A copy of the certificate or articles of incorporation or organization, including all amendments thereto, certified as of a recent date by either the Secretary of State of the state of its organization or such Governmental Authority, and, to the extent readily available with respect to franchise Taxes, a certificate certifying that such Loan Party has paid all franchise Taxes due and payable on or prior to the date of such certificate and such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(ii) A certificate of the Secretary, Assistant Secretary or other Responsible Officer of each Loan Party dated the Closing Date and certifying (A) that attached thereto are true and complete copies of the Organizational Documents of such Loan Party as in effect on the Closing Date and at all times since a date on or prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Governing Body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents and, in the case of the Borrower, the borrowing of the Loans hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the charter or articles or certificate of incorporation or organization of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party;

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above;

(iv) executed originals (or photocopies with originals to follow after the Closing Date) of the Loan Documents to which such Person is a party;

(v) an executed original (or photocopies with originals to follow after the Closing Date) of the Intercreditor Agreement;

(vi) executed copies of the Acquisition Agreement and any exhibits, schedules and documents related thereto; and

(vii) executed copies of all Related Documents as in effect on the Closing Date, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) ***Fees***. The Administrative Agent and the Lenders shall have received all Fees and other amounts due and payable on or prior to the Closing Date that are required to be paid under the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out of pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(c) ***Intentionally Omitted***.

(d) ***Representations and Warranties; Performance of Agreements***. (i) The representations and warranties in Article III shall be true and correct in all material respects on and as of the Closing Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date), (ii) the Borrower shall have performed in all material respects all agreements and satisfied all conditions which this Agreement provides shall be performed or satisfied by it on or before the Closing Date except as otherwise disclosed to and agreed to in writing by the Administrative Agent, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate, in form and substance reasonably satisfactory to the Administrative Agent, certifying as to the accuracy of each of clause (i) and clause (ii); *provided* that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant or condition for purposes of this condition.

(e) ***Financial Statements***. The Administrative Agent shall have received the financial statements and audit opinion referred to in Section 3.05(a).

(f) ***Intentionally Omitted.***

(g) ***Solvency Certificate***. The Administrative Agent shall have received a solvency certificate from a Financial Officer of Holdings or the Borrower, substantially in the form of Exhibit G hereto.

(h) ***Opinions of Counsel to the Loan Parties***. The Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of Kirkland & Ellis LLP, counsel for the Loan Parties (A) dated the Closing Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (C) covering such other matters relating to the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type, and the Borrower hereby requests such counsel to deliver such opinions.

(i) ***Evidence of Insurance***. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.02.

(j) ***Necessary Governmental Authorizations and Consents; Expiration of Waiting Periods, etc***. All requisite Governmental Authorities and other material third parties shall have approved or consented to the Transactions to the extent required, all applicable appeal periods shall have expired and there shall not be any pending or threatened litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

(k) ***Intentionally Omitted.***

(l) ***Security Interests***.

(i) The Guarantee and Collateral Agreement shall have been duly executed by each Loan Party that is to be a party thereto and shall be in full force and effect on the Closing Date. The Collateral Agent on behalf of the Secured Parties shall have been granted a security interest in the Collateral of the type and priority described herein and in the Guarantee and Collateral Agreement to the extent required thereby.

(ii) The Collateral Agent shall have received a Perfection Certificate with respect to the Loan Parties dated the Closing Date and duly executed by a Responsible Officer of the Borrower, and shall have received the results of a search of the UCC filings (or equivalent filings) made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such Persons as reasonably required by the Collateral Agent, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence reasonably satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been or will be contemporaneously released or terminated on the Closing Date. Such search results shall include copyright, patent and trademark searches, and copyright, patent and trademark filings or recordations, necessary in the Collateral Agent's reasonable determination to perfect the Collateral Agent's security interest in the Collateral as of the Closing Date to the extent such perfection can be obtained by (a) the filing of a financing statement (or similar document), (b) any copyright filing or recordation with the United States Copyright Office and (c) or any patent or trademark filing or recordation with the United States Patent and Trademark Office.

(iii) The Collateral Agent shall have received all certificates, agreements or instruments representing or evidencing the Pledged Collateral (as defined in the Guarantee and Collateral Agreement), accompanied by instruments of transfer and stock powers undated and endorsed in blank, in each case, that are required pursuant to the Guarantee and Collateral Agreement to have been delivered to the Collateral Agent on the Closing Date.

(m) ***Existing Debt***. The Borrower shall have (i) consummated the Existing Debt Refinancing; (ii) delivered to the Administrative Agent a "pay-off" letter in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent with respect to all Indebtedness being refinanced in the Existing Debt Refinancing, (iii) delivered to the Administrative Agent all documents or instruments necessary to release all Liens securing the Indebtedness being repaid in connection with the Existing Debt Refinancing, and (iv) made arrangements reasonably satisfactory to the Administrative Agent and Collateral Agent with respect to the cancellation or cash collateralization or backstopping of any letters of credit outstanding in connection with the Existing Debt Refinancing or the issuance of letters of credit to support the obligations of Holdings and its Subsidiaries with respect thereto.

(n) The Administrative Agent shall have received a customary closing certificate, dated the Closing Date and signed by a Financial Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent.

(o) ***Other Legal Matters***.

(i) All corporate and other proceedings in connection with the Transactions contemplated by this Agreement and the other Loan Documents and all other agreements, documents and instruments incident to such Transactions shall be reasonably satisfactory to the Administrative Agent, and the Administrative Agent shall have received all such certified or other copies of such documents as the Administrative Agent may reasonably request.

(ii) The Administrative Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act to the extent such documentation and other information has been requested in writing at least five (5) Business Days before the Closing Date.

(iii) All legal matters incident to this Agreement, the Loans hereunder and the other Loan Documents shall be reasonably satisfactory to the Administrative Agent.

(p) ***Funds Flow Memorandum***. The Administrative Agent and the Borrower shall have agreed upon a funds flow memorandum duly executed by a Responsible Officer of the Borrower.

(q) ***Material Adverse Effect***. Since December 31, 2012, there shall have occurred no Material Adverse Effect.

(r) ***Due Diligence.*** The Administrative Agent shall have completed a due diligence investigation of the Loan Parties in scope, and with results, reasonably satisfactory to the Administrative Agent, including without limitation, as to general affairs, environmental concerns, intellectual property, management, corporate structure, capital structure, other debt instruments, material contracts, governing documents, prospects, financial position, stockholders' equity and results of operations, and the tax, accounting, legal, regulatory, environmental and other issues relevant to the Loan Parties, and shall have been given access during normal business hours and with reasonable advance written notice to the external independent auditors, management, records, books of account, contracts and properties of the Loan Parties and shall have received such financial, business and other information regarding the Loan Parties as it shall have requested.

(s) ***No Injunction***. No injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the Transactions or the making of Loans hereunder.

(t) ***Notice of Borrowing***. Prior to the making of the Loans, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.02(c).

(u) ***Ownership of Intellectual Property***. Except as otherwise mutually and reasonably agreed by the Administrative Agent and the Borrower, substantially all of the Intellectual Property that is material to the business of the Borrower shall be owned by the Loan Parties and their Subsidiaries.

In determining the satisfaction of the conditions specified in this Section 4.01, (y) to the extent any item is required to be satisfactory to any Lender, such item shall be deemed satisfactory to each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date that the respective item or matter does not meet its satisfaction and (z) in determining whether any Lender is aware of any fact, condition or event that has occurred and which would reasonably be expected

to have a Material Adverse Effect, each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date of such fact, condition or event shall be deemed not to be aware of any such fact, condition or event on the Closing Date. Upon the Administrative Agent's good faith determination that the conditions specified in this Section 4.01 have been met (after giving effect to the preceding sentence), then the Closing Date shall have been deemed to have occurred, regardless of any subsequent determination that one or more of the conditions thereto had not been met. The conditions shall be deemed to have been satisfied on the date the Lenders provide the Loans.

SECTION 4.02. ***Post Closing Obligations***. As an accommodation to the Borrower, the Administrative Agent and the Lenders have agreed to execute this Agreement and to make Loans on the Closing Date notwithstanding the failure by the Borrower to satisfy the conditions set forth below on or before the Closing Date. In consideration of such accommodation, the Lenders agree that, in addition to all other terms, conditions and provisions set forth in this Agreement and the other Loan Documents, including those conditions set forth in Section 4.01, Holdings and the Borrower shall, and shall cause each other Loan Party to, satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (or such later date as agreed to by the Administrative Agent in its reasonable discretion), it being understood that (i) the failure by Holdings or the Borrower to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an immediate Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Agreement or any other Loan Document to be breached, the Required Lenders hereby waive such breach for the period from the Closing Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 4.02:

(i) Deliver to the Administrative Agent lender's loss payable and additional insured endorsements in respect of the insurance policies required by Section 5.02 in form and substance reasonably satisfactory to the Administrative Agent no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

(ii) Deliver to the Administrative Agent Control Agreements with financial institutions, securities intermediaries and other Persons in order to perfect Liens by "control" (within the meaning of the applicable Uniform Commercial Code) in respect of Deposit Accounts, Securities Accounts and other Collateral pursuant to the Security Documents in form and substance reasonably satisfactory to the Administrative Agent no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

(iii) Use commercially reasonable efforts to deliver to the Administrative Agent a collateral access agreement in form and substance reasonably satisfactory to the Administrative Agent in respect of each data center facility or other location at which any server owned or leased by the Borrower or any other Loan Party is maintained no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

ARTICLE V

Affirmative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), each of Holdings and the Borrower will, and will cause each of the Subsidiaries to:

SECTION 5.01. ***Existence; Compliance with Laws; Businesses and Properties***.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise permitted under Section 6.05.

(b) Do or cause to be done all things necessary to obtain, protect, preserve, renew, extend and keep in full force and effect its rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except as could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of the business of Holdings and its Subsidiaries and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.02. ***Insurance***.

(a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies that are of the same or similar size and in the same or similar businesses operating in the same or similar locations; and maintain such other insurance as may be required by law.

(b) Cause all such policies (if any) covering any Collateral (but, for the avoidance of doubt, excluding any public property damage policy) to be endorsed or otherwise amended to include a customary lender's loss payable endorsement, in form and substance reasonably satisfactory to the Collateral Agent, which endorsement shall provide that, from and after the Closing Date, if the insurance carrier shall have received written notice from the Collateral Agent of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to the Borrower or the Loan Parties under such policies directly to the Collateral Agent or the Revolving Agent, as applicable; cause all such policies to provide that the Borrower shall be a coinsurer thereunder; upon written request by the Collateral Agent, deliver original or certified copies of all such policies to the Collateral Agent; cause each such policy to provide that it shall not be canceled or not renewed (i) by reason of nonpayment of premium upon not less than 10 days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason upon not less than 30 days' prior written notice thereof by the insurer to the Collateral Agent; upon the written request of the Collateral Agent, deliver to the Collateral Agent, prior to the cancellation or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor.

(c) If at any time the area in which the Premises (as defined in the Mortgages or such other similar term) are located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders

may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time reasonably require.

SECTION 5.03. ***Obligations and Taxes***. Pay its Material Indebtedness in accordance with its terms and pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP.

SECTION 5.04. ***Financial Statements, Reports, etc***. In the case of Holdings and Borrower, furnish to the Administrative Agent and each Lender:

(a) within 120 days (or for the first fiscal year ending after the Closing Date, 150 days) after the end of each fiscal year of the Borrower, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of Holdings and such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal year occurring in 2013 or earlier, such comparative figures do not need to include Holdings), all audited by Moss Adams LLP or other independent public accountants of recognized national standing reasonably acceptable to the Administrative Agent (it being understood and agreed that the "Big Four" accounting firms are acceptable to the Administrative Agent) and accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit, except as related solely to the maturity of the Loans or the Revolving Loans (or any loans from a Permitted Refinancing of the Revolving Loans) during the immediately succeeding twelve-month period) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent;

(b) within 45 days (or for the fiscal quarter ending September 30, 2013, 90 days) after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2013), its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of Holdings and such Subsidiaries during such fiscal quarter and the then-elapsed portion of the fiscal year of the Borrower, together with the comparative figures for the same periods in the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal quarter occurring in the fiscal quarter ending September 30, 2013 or earlier, such comparative figures do not need to include Holdings), all certified by one of the Financial Officers of Holdings or the Borrower, as the case may be, as fairly presenting the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of the Financial Officer of the Borrower (a "***Compliance Certificate***") (i) certifying that no Event of Default has occurred or, if such an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail, together with supporting calculations, demonstrating compliance (or noncompliance) with the covenant contained in Section 6.10;

(d) (i) concurrently with any delivery of financial statements under paragraph (a) or (b) above, (A) a list of any Intellectual Property registered with the United States Patent and Trademark Office or the United States Copyright Office acquired since the last such list delivered pursuant to this Section 5.04(d) (or since the Closing Date, in the case of the first such list delivered after the Closing Date); and (B) an updated Schedule 3.28(a) (if necessary); and (ii) concurrently with any delivery of financial statements under paragraph (a) above, a list of any Intellectual Property registered in countries other than the United States;

(e) within 30 days after the beginning of each fiscal year of the Borrower, a detailed consolidated budget for such fiscal year presented on a quarter by quarter basis;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with any Governmental Authority or securities exchange, or distributed to its shareholders generally in their capacity as shareholders, as the case may be;

(g) promptly after the receipt thereof by Holdings, the Borrower or any of their Subsidiaries, a copy of any final "management letter" received by any such Person from its certified public accountants and the management's response thereto;

(h) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act; and

(i) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Holdings, the Borrower or any Subsidiary (including for purposes of obtaining and maintaining credit ratings in respect of the Borrower), or compliance with the terms of any Loan Document, in each case, as the Administrative Agent may reasonably request in writing.

SECTION 5.05. ***Litigation and Other Notices***.

Furnish to the Administrative Agent prompt written notice of the following upon any Loan Party's knowledge thereof:

(a) the occurrence of any Default or Event of Default, specifying the nature and extent thereof, the date of occurrence thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written (including by email or other electronic means) threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Holdings, the Borrower and its Subsidiaries in an aggregate amount exceeding $1,000,000;

(d) any development or event that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(e) any default or event of default (in each case, after taking into account applicable cure or grace periods) under any Contractual Obligation (other than the Loan Documents) of Holdings, the Borrower or any of their respective Subsidiaries that would reasonably be expected to have a Material Adverse Effect;

(f) any notices of default received by any Loan Party from, or notices of default furnished to, any holder which is not an Affiliate of Holdings of Material Indebtedness and not otherwise required to be furnished to the Administrative Agent or the Lenders pursuant to any other clause of this Section 5.05 (together with copies thereof); and

(g) any damage or destruction to Collateral that is reasonably and in good faith determined by Borrower to be in an amount in excess of $1,000,000.

SECTION 5.06. ***Information Regarding Collateral***. Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name (as defined in Section 9-503(a) of the UCC), (ii) in the jurisdiction of organization or formation of any Loan Party, (iii) in any Loan Party's corporate structure or chief executive office location or (iv) in any Loan Party's Federal Taxpayer Identification Number (if any). Unless otherwise approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld, delayed or conditioned), Holdings and the Borrower agree not to, and shall cause the other Loan Parties not to, effect or permit any change referred to in the preceding sentence unless any documents are delivered (or are substantially concurrently with the action effecting such change delivered) to the Collateral Agent that are required to be filed under the UCC so that the Collateral Agent, after the filing of such documents by the Collateral Agent, will continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral, with the priority required hereunder and under the Security Documents.

SECTION 5.07. ***Maintaining Records; Access to Properties and Inspections***. Keep proper books of record that are true and correct in all material respects and maintain a system of accounting that enables Holdings and the Borrower to produce financial statements in accordance with GAAP or such other accounting principles as may be consented to by the Administrative Agent. Holdings and the Borrower shall, and shall cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent to visit and inspect the financial records (other than the fee letter related to the Revolving Loans) and the properties of such Person at reasonable times up to one time during any twelve consecutive month period (but without such frequency limit during the continuance of an Event of Default) following reasonable prior written notice and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent to discuss the affairs, finances and financial condition of such Person with the officers thereof and independent accountants therefor; *provided* that (a) the Administrative Agent shall give the Borrower and the Sponsor an opportunity for its representatives to participate in any such discussions and (b) so long as no Event of Default has occurred and is then continuing, the Borrower and the other Loan Parties shall not bear the cost of more than one such visit or inspection (combined) per any twelve consecutive month period by the Administrative Agent and Lenders (and their respective representatives and other Related Parties).

SECTION 5.08. ***Use of Proceeds***. Use the proceeds of the Loans solely (i) to fund the Existing Debt Refinancing, (ii) to pay fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection with the Loans, the Existing Debt Refinancing and the other Transactions, and (iii) for working capital and other general corporate purposes of Holdings and its Subsidiaries, and to make capital expenditures, acquisitions, Investments, distributions and Restricted Payments permitted by this Agreement from time to time.

SECTION 5.09. ***Employee Benefits***.

(a) Cause each Employee Benefit Plan to comply in all respects with its terms and the applicable provisions of ERISA and the Code, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect, and furnish to the Administrative Agent as soon as possible after, and in any event within 10 days after any Responsible Officer of Holdings, the Borrower or any Subsidiary knows that any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of Holdings, the Borrower or any Subsidiary in an aggregate amount exceeding $1,000,000, a statement of a Financial Officer of Holdings or the Borrower setting forth details as to such ERISA Event and the action, if any, that Holdings or the Borrower proposes to take with respect thereto.

(b) Upon reasonable request by the Administrative Agent, furnish copies of (i) annual report (Form 5500 Series) filed by any Loan Party or any Subsidiary thereof or any of its ERISA Affiliates with respect to each Employee Benefit Plan; (ii) the most recent actuarial valuation report for each Plan, to the extent such exists; (iii) all notices received by any Loan Party or any of its ERISA Affiliates from a Multiemployer Plan sponsor or any governmental agency concerning an ERISA Event; and (iv) such other information, documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request in writing.

SECTION 5.10. ***Compliance with Environmental Laws***. Comply with all Environmental Laws applicable to its operations and properties and obtain and renew all material environmental permits necessary for its operations and properties, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect; and conduct any remedial action required by Environmental Laws; *provided, however*, that none of Holdings, the Borrower or any Subsidiary shall be required to undertake any remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.11. ***Preparation of Environmental Reports***. If an Event of Default caused by reason of a breach of Section 3.16 or Section 5.10 shall have occurred and be continuing for more than 20 days without Holdings, the Borrower or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, provide to the Lenders within 45 days after such request, at the reasonable expense of the Loan Parties, an environmental site assessment report regarding the matters that are the subject of such Event of Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and the Borrower and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or remedial action in connection with such Event of Default.

SECTION 5.12. ***Further Assurances***.

(a) Subject to the Intercreditor Agreement, execute any and all further documents, agreements and instruments, and take all further action (including delivering UCC and other financing statements with respect to the Collateral to the Collateral Agent for filing to the extent required under

applicable law or any Security Documents that may be required hereunder), or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request in writing, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant and perfect the validity and first priority (subject to Liens permitted by Section 6.02) of the security interests created by the Security Documents to the extent required hereby or by the Security Documents. Subject to the Intercreditor Agreement, in addition, from time to time, the Borrower will, at its reasonable cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected security interests with respect to such of its assets and properties and the assets and property of its Subsidiaries that are Loan Parties as the Administrative Agent or the Required Lenders shall designate in writing to the extent required hereby or by the Security Documents to constitute "Collateral" (it being understood that it is the intent of the parties that the Obligations shall be secured by all the Collateral of the Loan Parties (including certain owned real property and other properties acquired subsequent to the Closing Date)). Subject to the Intercreditor Agreement, such security interests and Liens in the Collateral will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent and the Borrower, and the Borrower shall deliver or cause to be delivered to the Collateral Agent all such instruments and documents (it being understood that mortgages, deeds of trust, legal opinions and title insurance policies shall only be required with respect to Material Domestic Real Property) as the Collateral Agent shall reasonably request to effectuate the foregoing requirements in this Section 5.12. In furtherance of the foregoing, the Borrower will give prompt notice to the Administrative Agent of the acquisition by it or any of the Subsidiaries that are Loan Parties of (i) any owned Material Domestic Real Property and (ii) any Material Foreign Assets.

(b) Within ten (10) Business days of the consummation of any Permitted Acquisition of any Person organized in the United States by any of the Loan Parties that is a Wholly Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), or within ten (10) Business Days of the formation by any of the Loan Parties of any Person organized in the United States that is a Wholly Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), the Borrower shall cause such Person so acquired or formed to be designated as a Subsidiary Guarantor of the Obligations. Such Person shall become a Loan Party by executing the Guarantee and Collateral Agreement (or a joinder thereto). In addition, (i) such Person shall execute and deliver such Security Documents as the Administrative Agent, the Collateral Agent or the Required Lenders may reasonably request to grant a Lien in respect of substantially all of its real and personal property in favor of the Collateral Agent and the Lenders as required hereby or by the Guarantee and Collateral Agreement to constitute "Collateral", and (ii) the Loan Parties directly owning Equity Interests in such Person shall pledge all such Equity Interests (other than Excluded Equity) in such Person, in each case, subject to the limitation in clauses (c) and (d) below. Notwithstanding anything to the contrary in any Loan Document, with respect to any assets or property (other than Material Foreign Assets) of any Loan Party not located in the United States (which shall, for the avoidance of doubt, include Intellectual Property registered in a jurisdiction outside the United States), no action to create or perfect a security interest or Lien shall be taken or required to be taken with respect to such assets, other than, to the extent required under the Guarantee and Collateral Agreement, the applicable Loan Party granting a security interest and Lien on such assets under the Guarantee and Collateral Agreement and the filing of UCC financing statements (including amendments thereto); *provided*, however, that the foregoing shall not limit any Loan Party's obligations to pledge Equity Interests in Foreign Subsidiaries (other than Excluded Equity) to the extent required hereunder or under the Guarantee and Collateral Agreement.

(c) Notwithstanding anything to the contrary, no Foreign Subsidiary shall be required to (i) grant a security interest in its assets to secure the Obligations or (ii) guarantee the Obligations.

(d) In the event that any Loan Party forms or acquires a Foreign Subsidiary or Foreign Subsidiary Holdco after the date hereof, the Borrower will promptly notify the Collateral Agent of that fact and cause such Loan Party to execute and deliver to the Collateral Agent such documents and instruments and take such further actions as may be necessary, or in the reasonable opinion of the Collateral Agent, desirable to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a Lien on all of the Equity Interests in such Foreign Subsidiary or Foreign Subsidiary Holdco held by such Loan Party (other than, in each case, Excluded Equity). Notwithstanding anything herein to the contrary, (A) all Loan Documents covering any foreign assets that are Collateral (including, without limitation, any Equity Interests of Foreign Subsidiaries that are Collateral) shall be governed by New York law, (B) no foreign law creation actions, perfection actions or other actions shall be required with respect to any Collateral, and (C) no foreign law opinion letters or foreign law governed documents shall be required with respect to any Collateral, in each case, other than with respect to, at the option of the Collateral Agent, Material Foreign Assets.

ARTICLE VI

Negative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), neither Holdings nor the Borrower will, nor will they cause or permit any of the Subsidiaries to:

SECTION 6.01. ***Indebtedness***. Incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any Permitted Refinancings thereof;

(ii) Indebtedness created hereunder and under the other Loan Documents (including, without limitation, any Indebtedness incurred pursuant to Section 2.22);

(iii) Indebtedness incurred under either (a) the Revolving Loan Agreement and the Revolving Loan Documents (including, without limitation, guarantees of the Loan Parties in respect of such Indebtedness and cash management and swap obligations) and any Permitted Refinancing thereof subject in each case to the Intercreditor Agreement or (b) a letter of credit facility, on terms and conditions reasonably satisfactory to the Administrative Agent, providing for the issuance of letters of credit thereunder for an aggregate face amount not to exceed $5,000,000;

(iv) intercompany Indebtedness of the Borrower and the Subsidiaries to the extent permitted by Section 6.04(iii);

(v) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (for the avoidance of doubt, in each case, excluding Capital Lease Obligations and Synthetic Lease Obligations) and Permitted Refinancings thereof; *provided* that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(v), when combined with the aggregate principal amount of all Capital Lease Obligations and Synthetic Lease Obligations incurred pursuant to Section 6.01(vi) shall not exceed the Permitted Capital Lease Amount at any time outstanding;

(vi) Capital Lease Obligations and Synthetic Lease Obligations in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(v), not in excess of the Permitted Capital Lease Amount at any time outstanding;

(vii) Indebtedness in respect of (x) appeal bonds or similar instruments and (y) payment, bid, performance or surety bonds, or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits, letters of credit and banker's acceptances issued for the account of Holdings or any of its Subsidiaries in each case listed under this clause (y), in the ordinary course of business, and including guarantees or obligations of Holdings or any of its Subsidiaries with respect to letters of credit supporting such appeal, payment, bid, performance or surety or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits (in each case other than for Indebtedness for money borrowed);

(viii) Indebtedness under any Hedging Agreement permitted under Section 6.04(vi); *provided* that if such Hedging Agreement relates to interest rates, (i) the obligations under such Hedging Agreement relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such obligations under such Hedging Agreement at the time incurred does not exceed the principal amount of the Indebtedness to which such obligations under such Hedging Agreement relate;

(ix) (A) Contingent Obligations of any Loan Party of Indebtedness of any other Loan Party, (B) Contingent Obligations by any Subsidiary that is not a Loan Party of Indebtedness of any Loan Party, its Subsidiaries or its joint ventures or (C) Contingent Obligations of any Loan Party of Indebtedness of any Subsidiary or joint venture of any Loan Party that is not a Loan Party with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.01 (and with respect to clause (C) above only, when combined with the aggregate amount of Investments, loans or advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and Section 6.04(iii), in each case without duplication, do not exceed the Permitted Non-Loan Party Investment Amount) (including, without limitation, guarantees in respect of any Permitted Refinancings thereof); *provided*, that if the Indebtedness that is being guarantied is unsecured and/or subordinated to the Obligations, the guaranty shall also be unsecured and/or subordinated to the Obligations, in each case on terms no less favorable (taken as a whole) to the Lenders than the subordination terms (taken as a whole) of the Indebtedness so guarantied;

(x) (A) Indebtedness of any Person that becomes a Subsidiary after the date hereof, which Indebtedness is existing at the time such Person becomes a Subsidiary of the Borrower (other than Indebtedness incurred in contemplation of or in connection with such Person becoming a Subsidiary) in an aggregate amount not in excess of $1,000,000 at any time outstanding and (B) Indebtedness secured by assets purchased by a Loan Party in a Permitted Acquisition that is assumed by such Loan Party (other than Indebtedness incurred in contemplation of or in connection with such purchase) in an aggregate amount not in excess of $1,000,000 at any time outstanding;

(xi) Indebtedness incurred in the ordinary course of business in connection with cash pooling arrangements, netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs, cash management and other similar arrangements incurred in the ordinary course of business;

(xii) to the extent any such items constitute Indebtedness, Indebtedness arising from agreements of Holdings, the Borrower or any Subsidiary providing for indemnification, contribution, earn-out, adjustment of purchase price or similar obligations, in each case incurred or assumed in connection with any Permitted Acquisition or Disposition otherwise permitted under this Agreement; *provided* that the amount of all earn-outs shall not exceed $3,000,000 in the aggregate from the Closing Date to the Maturity Date;

(xiii) unsecured Indebtedness consisting of Indebtedness owing to a seller incurred in connection with a Permitted Acquisition in an aggregate amount outstanding not to exceed $2,000,000; *provided* that such Indebtedness is subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(xiv) Indebtedness representing any Taxes, assessments or governmental charges to the extent such Taxes are being contested in good faith and adequate reserves have been provided therefor in conformity with GAAP;

(xv) Indebtedness of Foreign Subsidiaries not in excess of $625,000 at any time outstanding;

(xvi) Indebtedness representing deferred compensation or similar obligations to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(xvii) Indebtedness consisting of obligations of the Borrower and its Subsidiaries under deferred compensation or other similar arrangements with employees incurred by such Person in connection with Permitted Acquisitions or any other Investments permitted hereunder constituting acquisitions of Persons or businesses or divisions;

(xviii) Indebtedness incurred in the ordinary course of business with respect to customer deposits and other unsecured current liabilities not the result of borrowing and not evidenced by any note or other evidence of Indebtedness;

(xix) Indebtedness consisting of (A) the financing of insurance premiums or (B) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xx) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(xxi) Indebtedness arising as a direct result of judgments, orders, awards or decrees against Holdings or any of its Subsidiaries, in each case not constituting an Event of Default;

(xxii) Indebtedness consisting of promissory notes issued by any Loan Party or its Subsidiaries to current or former officers, directors and employees (or their estates, spouses or former spouses) of any Loan Party or any Subsidiary issued to purchase or redeem capital stock of Holdings permitted by Section 6.06(a);

(xxiii) Subordinated Indebtedness in an aggregate principal amount not exceeding $500,000 at any time outstanding;

(xxiv) unsecured Indebtedness of Holdings to its Subsidiaries at such times and in such amounts necessary to permit Holdings to receive any Restricted Payment permitted to be made to Holdings pursuant to Section 6.06, so long as, as of the applicable date of determination, a Restricted Payment for such purposes would otherwise be permitted to be made pursuant to Section 6.06; *provided* that that any such Indebtedness shall be deemed to utilize on a dollar-for-dollar basis the relevant basket under Section 6.06;

(xxv) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in Section 6.01(i) through (xxiv) above; and

(xxvi) other Indebtedness of the Borrower or its Subsidiaries in an aggregate principal amount not exceeding $1,000,000 at any time outstanding (of which $1,000,000 at any time can be secured).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such extension, replacement, refunding, refinancing, renewal or defeasance of Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, plus an amount equal to unpaid accrued interest and premium thereon, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including, without limitation, attorney's fees) incurred in connection with such extension, replacement, refunding, refinancing, renewal or defeasance.

To the extent otherwise constituting Indebtedness, the accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall be deemed not to be Indebtedness for purposes of this Section 6.01. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

SECTION 6.02. ***Liens***. Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including the Borrower or any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(i) Liens on property or assets of the Borrower and the Subsidiaries existing on the date hereof and set forth in Schedule 6.02 and any Permitted Refinancing thereof; *provided* that such Liens shall secure only those obligations that they secure on the date hereof or Permitted Refinancing thereof as applicable;

(ii) any Lien created under the Security Documents or the other Loan Documents;

(iii) any Lien existing on any property or asset prior to the acquisition, construction or improvement thereof by the Borrower or any Subsidiary or existing on any property or assets of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Holdings, the Borrower or any Subsidiary and (iii) such Lien secures only those obligations (excluding the amount of any premiums or penalties and accrued and unpaid interest paid thereon and the amount of fees, costs and expenses incurred in connection therewith) that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be;

(iv) Liens for Taxes not yet due or that are being contested in compliance with Section 5.03;

(v) Landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction contractor's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue for a period of more than 30 days and payable or that are being contested in compliance with Section 5.03;

(vi) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(vii) deposits to secure the performance of bids, trade contracts (other than for Indebtedness for borrowed money), governmental contracts and leases (other than Capital Lease Obligations or Synthetic Lease Obligations), statutory obligations, surety, stay, custom and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(viii) zoning restrictions, easements, rights-of-way, title exceptions, survey exceptions, covenants, reservations, restrictions, encroachments, protrusions, conditions, licenses, building codes, minor defects or irregularities in title and other similar encumbrances affecting real property, restrictions on use of real property and other similar encumbrances incurred that, in the aggregate, do not materially adversely detract from the value and the use of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries (taken as a whole);

(ix) Liens with respect to Capital Lease Obligations and purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any Subsidiary; *provided* that (i) such security interests secure Indebtedness permitted by Section 6.01(v) or 6.01(vi), (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the Indebtedness secured thereby does not exceed 100% of the cost of such real property, improvements or equipment at the time of such acquisition (or construction) *plus* unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection therewith and (iv) such security interests do not apply to any other property or assets of the Borrower or any Subsidiary other than any proceeds and/or replacements thereof;

(x) Liens on property or assets of a Person (other than any Equity Interests in any Person) existing at the time the assets of such Person are acquired or such Person is merged into or consolidated with the Holdings, the Borrower or any Subsidiary or becomes a Subsidiary of

Holdings, the Borrower or any Subsidiary; *provided* that any such Lien (i) was not created in contemplation of or in connection with such asset purchase, merger, consolidation or investment and (ii) does not extend to any assets (other than improvements thereon) other than those acquired in such asset purchase and those assets of the Person merged into or consolidated with Holdings, the Borrower or such Subsidiary or acquired by Holdings, the Borrower or such Subsidiary;

(xi) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to (i) cash and Permitted Investments on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank or banks with respect to cash management and operating account arrangements, and (ii) financial assets on deposit in one or more securities accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the securities intermediaries with which such accounts are maintained, securing amounts owing to such securities intermediaries with respect to services rendered in connection with such securities accounts;

(xii) precautionary filings of financing statements under the Uniform Commercial Code of any applicable jurisdictions in respect of operating leases or consignments entered into by Holdings, the Borrower or the Subsidiaries in the ordinary course of business;

(xiii) Liens arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xiv) either (a) Liens securing the Indebtedness under the Revolving Loan Agreement and the other Revolving Loan Documents and any Permitted Refinancing thereof, subject to the Intercreditor Agreement or (b) Liens on cash collateral securing Indebtedness permitted under Section 6.01(iii)(b); *provided* that the aggregate amount of cash collateral subject to the Liens permitted under this Section 6.02(xiv)(b) shall not exceed 105% of the aggregate face amount of all outstanding letters of credit issued and outstanding under the applicable letter of credit facility;

(xv) (A) Liens on insurance policies and the proceeds thereof securing insurance premium financing permitted hereunder and (B) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings or any of its Subsidiaries;

(xvi) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Borrower or any Subsidiary in the ordinary course of business;

(xvii) Liens on the assets of Foreign Subsidiaries that secure Indebtedness permitted pursuant to Section 6.01(xv) (and related obligations);

(xviii) good faith earnest money deposits made in connection with a Permitted Acquisition or any other Investment or letter of intent or purchase agreement permitted hereunder;

(xix) Leases and subleases of the properties of any Loan Party or their Subsidiaries granted by such Person to third parties;

(xx) non-exclusive licenses and sublicenses in the ordinary course of business;

(xxi) Liens to the extent arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xxii) Liens (A) incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and (B) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(xxiii) other Liens securing Indebtedness not to exceed $1,000,000 in the aggregate at any time outstanding.

Notwithstanding anything to contrary hereunder or under any other Loan Document, no Liens (other than Liens permitted under clauses (ii), (iv) and (xiv) shall be permitted on Equity Interests issued by the Borrower or any of its Subsidiaries which constitute Collateral.

SECTION 6.03. ***Sale and Lease-Back Transactions***. Enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer all of its right, title and interest to any property, real or personal with a fair market value in excess of $1,000,000, used or useful in its business, whether now owned or hereafter acquired, contemporaneously or substantially contemporaneously therewith rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except to the extent (a) the sale or transfer of such property is permitted by Section 6.05 and, (b) any Capital Lease Obligations, Synthetic Lease Obligations or Liens arising in connection therewith are permitted by Section 6.01 and Section 6.02, as the case may be.

SECTION 6.04. ***Investments***. Purchase, hold, make or acquire any Investments, any other Person, except:

(i) (A) Investments by Holdings, the Borrower and the Subsidiaries existing on the date hereof in the Equity Interests of the Borrower and the Subsidiaries and (B) additional Investments by Holdings, the Borrower and the Subsidiaries in the Equity Interests of the Borrower and the Subsidiaries; *provided* that (x) any such Equity Interests (other than Excluded Equity) held by a Loan Party shall be pledged pursuant to the Guarantee and Collateral Agreement (subject to the limitations and exclusions referred to therein) and (y) the aggregate amount of Investments made by Loan Parties after the date hereof in Subsidiaries that are not Loan Parties (determined without regard to any write downs or write-offs of such Investments), when combined with the aggregate amount of loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(iii) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount;

(ii) Permitted Investments;

(iii) loans or advances made by any Loan Parties or their Subsidiaries to any other Loan Party (except with respect to Section 6.01(xxiv), other than Holdings), Subsidiary or a Subsidiary of a Loan Party or joint ventures thereof; *provided* that the aggregate amount of such loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties (determined without regard to any write-downs or write-offs of such loans and advances), when combined with the aggregate amount of Investments made by Loan Parties after the date

hereof in Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount at any time outstanding and shall be evidenced by a promissory note to the extent required by the Guarantee and Collateral Agreement;

(iv) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(v) Holdings, the Borrower and its Subsidiaries may make loans and advances in the ordinary course of business (including for travel, entertainment and relocation expenses) to their respective officers, directors and employees so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed $500,000;

(vi) the Borrower and its Subsidiaries may enter into Hedging Agreements that are not speculative in nature;

(vii) the Borrower and any Subsidiary may acquire all or substantially all the assets of a Person or line of business of such Person, or not less than 90% of the Equity Interests (other than directors' qualifying shares) of a Person (referred to herein as the "***Acquired Entity***") provided that (I) the Borrower shall comply, and shall cause the Acquired Entity to comply (in each case, to the extent applicable), with the applicable provisions of Section 5.12 and the Security Documents and (II) such transactions meet the following criteria (or such criteria is waived) in one of the three clauses of (A), (B) and (C) below (any acquisition of an Acquired Entity meeting all the criteria in one of clauses of (A), (B) and (C) (or having any such criteria waived) of this Section 6.04(vii) being referred to herein as a "***Permitted Acquisition***"):

(A) Other than an acquisition satisfying the criteria set forth in clause (B) or clause (C), such acquisition satisfies the following:

(i) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition;

(ii) the Consolidated Leverage Ratio shall not be greater than 0.74 to 1 on a pro forma basis after giving effect to such acquisition; and

(iii) the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with paragraphs (A)(i) and (A)(ii) of this Section 6.04(vii) and containing reasonably detailed calculations in support of paragraph (A)(ii) of this Section 6.04(vii);

(B) such acquisition is funded solely with the Equity Interests of Holdings or proceeds from any issuance of Equity Interests by Holdings (in each case, not constituting Disqualified Stock); or

(C) such acquisition is funded with cash or Permitted Investments of Holdings, the Borrower or any Subsidiary, and both (a) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition and (b) immediately after giving effect to such acquisition and the use of any cash or Permitted Investments of Holdings, the Borrower or any Subsidiary for such acquisition, Liquidity shall not be less than $3,000,000;

(viii) Contingent Obligations permitted by Section 6.01;

(ix) prepaid expenses or lease, utility and other similar deposits, in each case made in the ordinary course of business;

(x) Investments consisting of any deferred portion (including promissory notes and non cash consideration) of the sales price received by Holdings, the Borrower or any Subsidiary in connection with any Disposition permitted hereunder;

(xi) advances of payroll payments to employees, officers, directors and managers of Holdings, the Borrower and any Subsidiaries in the ordinary course of business;

(xii) extensions of trade credit or the holding of receivables in the ordinary course of business and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such account debtors or suppliers;

(xiii) the Borrower and its Subsidiaries may endorse negotiable instruments and other payment items for collection or deposit in the ordinary course of business or make lease, utility and other similar deposits in the ordinary course of business;

(xiv) Investments of any Person that becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower on or after the date hereof on the date such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower; provided that (i) such Investments exist at the time such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary, and (ii) such Investments are not made in anticipation or contemplation of such Person becoming (or merging or consolidating or amalgamated with) a Subsidiary;

(xv) advances in connection with purchases of goods or services in the ordinary course of business;

(xvi) Investments to the extent that payment for such Investments is made solely with Qualified Capital Stock of Holdings or Equity Interests of any direct or indirect parent company of Holdings; and

(xvii) Investments consisting of good faith deposits made in accordance with Section 6.02(xviii);

(xviii) (i) Investments outstanding on the Closing Date and identified on Schedule 6.04 and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any Investment described in clause (i) above; *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment on the Closing Date except pursuant to the terms of such Investment as of the Closing Date or pursuant to another Investment otherwise permitted by this Section 6.04;

(xix) promissory notes or other obligations of directors (or comparable position), officers or other employees of a Loan Party or any of its Subsidiaries acquired in the ordinary course of business in connection with such directors' (or comparable position), officers' or employees' acquisition of Equity Interests in such Loan Party or such Subsidiary (to the extent such acquisition is permitted under this Agreement), (A) so long as no cash is advanced by the Borrower or any of its Subsidiaries that are Loan Parties in connection with such Investment or (B) if paid in cash, in an aggregate amount not to exceed $1,000,000 at any time outstanding;

(xx) any Loan Party or any of its Subsidiaries may make a loan that could otherwise be made as a distribution permitted under Section 6.06 (with a commensurate dollar-for-dollar reduction of their ability to make additional distributions under such Section); provided that any such loan made by a Loan Party and shall be evidenced by a promissory note and pledged to the Collateral Agent to the extent required by the Guarantee and Collateral Agreement;

(xxi) Investments to the extent constituting the reinvestment of the Net Asset Sale Proceeds arising from any Asset Sale or Net Insurance/Condemnation Proceeds arising from any Casualty Event to repair, replace or restore any property in respect of which such proceeds were paid or to reinvest in other properties or assets that are used or are otherwise useful in the business of the Loan Parties and their Subsidiaries; and

(xxii) in addition to Investments permitted by paragraphs (i) through (xxi) above, additional Investments by the Borrower and the Subsidiaries so long as the aggregate amount invested pursuant to this paragraph (xxii) (determined without regard to any write-downs or write-offs of such Investments, but net of cash returns thereon) does not exceed $1,500,000.

SECTION 6.05. ***Consolidations, Dispositions of Assets and Acquisitions***. Enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), transfer or otherwise Dispose of, in one transaction or a series of transactions, all or any part of its business, property or assets (including its notes or receivables and Equity Interests of a Subsidiary, whether newly issued or outstanding), whether now owned or hereafter acquired, except:

(i) any Subsidiary of the Borrower may be merged with or into the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor; *provided* that, in the case of such a merger, the Borrower or such Wholly Owned Subsidiary shall be the continuing or surviving Person;

(ii) any Subsidiary of the Borrower that is not a Guarantor may be merged with or into any Subsidiary of the Borrower that is not a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to any Subsidiary of the Borrower that is not a Guarantor;

(iii) the Borrower and its Subsidiaries may sell or otherwise Dispose of assets in transactions that do not constitute Asset Sales;

(iv) the Borrower and its Subsidiaries may Dispose of obsolete, worn out or surplus property in the ordinary course of business;

(v) the Borrower and its Subsidiaries may make Asset Sales; *provided* that (a) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof; (b) at least 75% of such consideration received shall be cash; (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto; and (d) the proceeds of such Asset Sales shall be applied to the extent required by Section 2.11(a);

(vi) in order to resolve disputes that occur in the ordinary course of business, the Borrower and its Subsidiaries may sell, transfer, discount, forgive, cancel or otherwise compromise for less than the face value thereof, notes or accounts receivable;

(vii) the Borrower or a Subsidiary may Dispose of Equity Interests of any of its Subsidiaries solely to qualify directors of the Governing Body of the Subsidiary if, and to the extent, required by applicable law;

(viii) any Person may be merged with or into the Borrower or any Subsidiary if the acquisition of the Equity Interests of such Person by the Borrower or such Subsidiary would have been permitted pursuant to Section 6.04(vii); *provided* that (a) in the case of the Borrower, the Borrower shall be the continuing or surviving entity, (b) if a Subsidiary is not the surviving or continuing Person, the surviving Person becomes a Subsidiary and complies with the provisions of Section 5.12 (to the extent required thereby and subject to the limitations and exceptions set forth therein) and (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto;

(ix) the Loan Parties may engage in transactions that are excluded from the definition of "Asset Sale" by the parenthetical following clause (iii) thereof;

(x) the lapse or abandonment in the ordinary course of business of any Intellectual Property that is, in the reasonable business judgment of the Borrower, immaterial or no longer economically practicable to maintain;

(xi) Dispositions of property to the Borrower or a Subsidiary; *provided*, that if the transferor of such property is a Loan Party (a) the transferee thereof must be a Loan Party (other than Holdings) or (b) such Investment must be a permitted Investment in a Subsidiary that is not a Loan Party in accordance with Section 6.04;

(xii) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property; provided that to the extent the property being transferred constitutes Collateral, such replacement property shall constitute Collateral;

(xiii) (A) Investments permitted pursuant to Section 6.04, (B) transactions permitted pursuant to Section 6.03, (C) Liens in compliance with Section 6.02 and (D) Restricted Payments in compliance with Section 6.06;

(xiv) (x) leases and subleases of real or personal property in the ordinary course of business and (y) non-exclusive licenses and sublicenses of Intellectual Property or other property;

(xv) sales of non-core assets acquired in connection with any Permitted Acquisitions;

(xvi) use of cash and Disposition of Permitted Investments in the ordinary course of business;

(xvii) Dispositions resulting from Casualty Events; and

(xviii) the unwinding or terminating of Hedging Agreement.

To the extent the Required Lenders or all the Lenders, as applicable, waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, such Collateral (unless sold to a Loan Party) shall be sold automatically free and clear of the Liens created by the Security Documents and the Agents shall, at the reasonable cost and expense of the Borrower, take all actions they reasonably deem appropriate in order to effect the foregoing.

SECTION 6.06. ***Restricted Payments; Restrictive Agreements***.

(a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so; *provided*, *however*, that (i) any Subsidiary of the Borrower may declare and pay dividends or make other distributions ratably to its equity holders, (ii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed the Permitted Restricted Payment Amount in any fiscal year of the Borrower to the extent necessary to pay independent director fees incurred by Holdings in the ordinary course of business, (iii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed $250,000 in any fiscal year of the Borrower, (and Holdings may make a corresponding Restricted Payment to the Sponsor or its Affiliates) to the extent necessary to pay reasonable general corporate or other entity and overhead expenses (including franchise or similar Taxes, other than Taxes in the nature of an income Tax, which is covered by Permitted Tax Distributions, but excluding fees to independent directors) incurred by Holdings or the Sponsor or its Affiliates (limited, in the case of the Sponsor and any of its Affiliates, to amounts directly related to its indirect ownership interests in the Borrower) or pay any indemnification amounts or other amounts described in Section 6.07(v) below owed to Holdings or the Sponsor or its Affiliates, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (iv) the Borrower may pay to Holdings, and Holdings may pay to its direct or indirect parent companies, Permitted Tax Distributions; (v) Holdings, the Borrower and the Subsidiaries may make Restricted Payments in the form of distributions payable solely in the common stock, other common Equity Interests or other Qualified Capital Stock of such Person; (vi) the Borrower and Holdings may make (directly or indirectly) Permitted Founder Distributions; (vii) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, payments may be made to Holdings (or any direct or indirect parent company of Holdings) to permit Holdings (or any such direct or indirect parent company of Holdings) to repurchase or redeem Qualified Capital Stock of Holdings (or any direct or indirect parent company) held by current or former officers, directors or employees (or their transferees, spouses, ex-spouses, estates or beneficiaries under their estates) of any Loan Party or their Subsidiaries, upon their death, disability, retirement, severance or termination of employment or service or to make payments on Indebtedness issued to buy such Qualified Capital Stock upon their death, disability, retirement, severance or termination of employment or service; *provided* that the aggregate cash consideration (for the avoidance of doubt excluding cancellation of Indebtedness owed by such person) paid for all such redemptions and payments shall not exceed, in any fiscal year, the sum of (I) $1,000,000, *plus* (II) the net cash proceeds of any "key-man" life insurance policies of any Loan Party or its Subsidiaries that have not been used to make any repurchases, redemptions or payments under this clause (vii) *provided further*, that any Restricted Payments or payments permitted to be made (but not made) pursuant to subclause (I) of this clause (vii) in a given fiscal year of Holdings may be carried forward and made in succeeding fiscal years of Holdings; *provided further* that during an Event of Default any payments described in this clause may accrue and shall be permitted to be paid when no

Event of Default is continuing at such time; (viii) Restricted Payments may be made solely in Equity Interests of Holdings (other than Disqualified Stock), (ix) repurchases of Equity Interests may be made by Holdings upon the occurrence of the exercise of Equity Interest options if the Equity Interests represent a portion of the exercise price thereof and (x) distributions of proceeds of the Loans to Holdings to effectuate the Existing Debt Refinancing on the Closing Date; *provided*, *however*, that (A) (x) the amount of cash dividends paid pursuant to clauses (iii) and (iv) to enable Holdings to pay Taxes at any time shall not exceed the amount of such Taxes actually owing by Holdings (or such applicable parent company) at such time and (y) any refunds (including in respect of Taxes) received by Holdings shall promptly be returned by Holdings to the Borrower as cash common equity contributions and (B) any Permitted Founder Distributions made pursuant to clause (vi) are subject to (1) the Loan Parties having no net operating losses (without taking into account any interest tax deduction) that have not been utilized to offset net income for any prior relevant period at the time such Permitted Founder Distribution is made, (2) the sum of (x) net income (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, plus (y) interest expense (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, for the most recently ended fiscal year, exceeding $0, (3) immediately after giving effect to any such distribution, Liquidity being greater than or equal to $3,000,000 and (4) the aggregate amount of all such Permitted Founder Distributions made during the term of this Agreement not exceeding $8,000,000.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Holdings, the Borrower or any Wholly Owned Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (ii) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to guarantee Indebtedness of the Borrower or any other Subsidiary; *provided* that (A) the foregoing shall not apply to restrictions and conditions imposed by law or regulation or by any Loan Document or the Revolving Loan Document or any Permitted Refinancing thereof, (B) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary (or its assets) pending such sale, provided such restrictions and conditions apply only to the Subsidiary or such assets that is (or are) to be sold and such sale is permitted hereunder, (C) clause (i) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (D) clause (i) of the foregoing shall not apply to customary provisions in leases, subleases, licenses, sublicenses and other contracts restricting the assignment thereof, (E) the foregoing shall not apply with respect to (i) any agreement (including with respect to Indebtedness) in effect at the time any Person becomes a Subsidiary of the Borrower; *provided*, that such agreement was not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, (ii) restrictions under agreements evidencing or governing or otherwise relating to Indebtedness of any Subsidiaries that are not Loan Parties permitted under Section 6.01; *provided* that such Indebtedness is only with respect to the assets of any Subsidiaries that are not Loan Parties, (iii) customary provisions in joint venture agreements, limited liability company operating agreements, partnership agreements, stockholders agreements, other Organizational Documents and other similar agreements, (iv) customary anti-assignment provisions in licenses and other contracts restricting the sublicensing or assignment thereof, (v) pursuant to Contractual Obligations that (y) exist on the Closing Date and (z) to the extent Contractual Obligations permitted by this clause (v) are set forth in an agreement evidencing Indebtedness or any agreement evidencing any Permitted Refinancing thereof so long as such Permitted Refinancing does not expand the scope of such Contractual Obligation, and (vi) restrictions in connection with cash or other deposits permitted under Section 6.02.

SECTION 6.07. ***Transactions with Affiliates***. Except for (i) transactions between or among Loan Parties, (ii) Investments permitted by Section 6.04, and Indebtedness permitted by Section 6.01, and Liens permitted by Section 6.02, (iii) Dispositions, mergers, consolidations and dissolutions permitted by

Section 6.05(i), (iv) Restricted Payments permitted by Section 6.06, (v) reimbursements of costs and expenses of the Sponsor or its Affiliates or any indemnities provided to the Sponsor or its Affiliates, in each case, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements and severance agreements, in each case approved by the Governing Body of Holdings, any direct or indirect parent entity of Holdings or the applicable Subsidiary of Holdings, (vii) transactions under the Loan Documents, the Revolving Loan Documents (and any Permitted Refinancing thereof) and the Related Documents, (viii) Dispositions of Qualified Capital Stock of Holdings to Affiliates of Borrower or Holdings not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith, (ix) the Transactions, (x) the transactions with Velocity Technology Solutions, Inc. or its Affiliates that are approved by all disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of Holdings and (xi) the transactions set forth on Schedule 6.07, and any amendment or modification with respect to such transactions, and the performance of obligations thereunder, so long as such amendment or modification is not materially adverse to the interests of the Lenders, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except that the Borrower or any Subsidiary may engage in any of the foregoing transactions at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties; *provided* that if such Affiliate transaction both (1) does not meet one of the exceptions in clauses (i) through (xi) above and (2) involves aggregate payments or value in excess of $1,000,000, the Borrower shall either obtain written approval for such Affiliate transaction from (y) all of the disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of the Borrower or such Subsidiary, as applicable or (z) the Administrative Agent.

SECTION 6.08. ***Business of Holdings, Borrower and Subsidiaries***.

(a) With respect to Holdings, engage in any business activities prohibited by Section 6.13; and

(b) With respect to the Borrower and each of its Subsidiaries, engage at any time in any business or business activity other than the business conducted by it on the date hereof and any business reasonably related, similar, ancillary, complementary or incidental thereto or reasonable extensions thereof.

SECTION 6.09. ***Other Indebtedness and Agreements, etc.***

(a) Make any distribution, whether in cash, property, securities or a combination thereof, other than regularly scheduled payments of principal and interest and premiums and fees as and when due (to the extent not prohibited by applicable subordination provisions), in respect of, or pay, or directly or indirectly redeem, repurchase, retire or otherwise acquire for consideration, any Subordinated Indebtedness unless permitted by the applicable subordination agreement, except (i) with respect to any Permitted Refinancing thereof, (ii) to the extent made with the proceeds of Qualified Capital Stock of Holdings, (iii) with respect to the Existing Debt Refinancing on the Closing Date, (iv) with respect to converting (or exchanging) any Indebtedness to (or for) Qualified Capital Stock of Holdings, (v) any AHYDO payments with respect thereto so long as no Event of Default is continuing or would immediately result therefrom and (vi) so long as no Event of Default is continuing, making prepayments, redemptions, repurchases, retirement, defeasance or other satisfaction of Indebtedness in an amount not to exceed $500,000 per year; or

(b) Pay in cash any amount in respect of any Indebtedness (other than interest payable under this Agreement), Disqualified Stock or preferred Equity Interests that may at the obligor's option be paid in kind or in other securities, in each case, at a time (but only at such time) when PIK Interest is being paid (as opposed to all cash interest) on the Loans pursuant to Section 2.06;

(c) Pay any Management Fees.

SECTION 6.10. ***Maximum Consolidated Leverage Ratio***. Permit the Consolidated Leverage Ratio as of the last day of each period set forth below to be greater than the ratio set forth opposite such period below:

Four Fiscal Quarters Ending	Ratio
Four fiscal quarters ending September 30, 2014	1.0 to 1.0
Four fiscal quarters ending December 31, 2014	1.0 to 1.0
Four fiscal quarters ending March 31, 2015	0.99 to 1.0
Four fiscal quarters ending June 30, 2015	0.99 to 1.0
Four fiscal quarters ending September 30, 2015	0.99 to 1.0
Four fiscal quarters ending December 31, 2015	0.99 to 1.0
Four fiscal quarters ending March 31, 2016	0.97 to 1.0
Four fiscal quarters ending June 30, 2016	0.97 to 1.0
Four fiscal quarters ending September 30, 2016	0.97 to 1.0
Four fiscal quarters ending December 31, 2016	0.97 to 1.0
Four fiscal quarters ending March 31, 2017	0.94 to 1.0
Each four fiscal quarter period ending on March 31, June 30, September 30 and December 31 thereafter	0.94 to 1.0

SECTION 6.11. ***Fiscal Year***. Permit any of Holdings, the Borrower or any Subsidiary to change its fiscal year end to a date other than December 31.

SECTION 6.12. ***Amendments or Waivers of Documents Relating to Subordinated Indebtedness, Certain Documents and Equity Interests***.

(a) ***Amendments of Documents Relating to Certain Indebtedness***. Amend, waive, supplement, modify or otherwise change the terms of (i) any Subordinated Indebtedness in a way that is expressly prohibited by the terms of the applicable subordination agreement (as in effect the date the Borrower acknowledges or agrees in writing to the terms of such subordination agreement or as amended in an amendment approved in writing by the Borrower), or (ii) the Revolving Loan Documents except pursuant to the terms of the Intercreditor Agreement or pursuant to a Permitted Refinancing thereof.

(b) ***Amendments of Certain Documents***. Make any amendment, waiver, restatement, supplement or other modification to such Person's Organizational Documents in any manner materially adverse to the Lenders without in each case obtaining the prior written consent of the Administrative Agent to such amendment, waiver, restatement, supplement or other modification; *provided* that, for the avoidance of doubt, Holdings may issue Equity Interests so long as such issuance is not otherwise prohibited by this Agreement, and may amend or modify its Organizational Documents to authorize the issuance of any such Equity Interests.

SECTION 6.13. ***Conduct of Business by Holdings***. With respect to Holdings, engage in any business or activity, hold any assets or incur any Indebtedness or other liabilities, other than (i) the ownership of all outstanding Equity Interests in the Borrower, (ii) maintaining its corporate existence, (iii) participating in tax, accounting and other administrative activities as a member of the consolidated group of companies including the Loan Parties, (iv) executing, delivering and the performance of rights and obligations under the Loan Documents, the Revolving Loan Documents, the Related Documents, the Acquisition Agreement and related documents to which it is a party, (v) performance of rights and obligations under the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) making any Restricted Payment permitted by Section 6.06, (vii) purchasing Qualified Capital Stock of Borrower, (viii) making capital contributions to Borrower, (ix) executing, delivering and the performance of rights and obligations under any employment agreements and any documents related thereto, (x) the making of loans to officers, the Governing Body, and employees in exchange for Equity Interests of Holdings purchased by such officers, Governing Body, or employees pursuant to Section 6.04 and the acceptance of notes related thereto and (xi) activities incidental to the businesses or activities described in clauses (i)-(x) above.

ARTICLE VII

Events of Default

SECTION 7.01. ***Events of Default***. In case of the happening of any of the following events ("***Events of Default***"):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest or premium on any Loan or any Fee or any other amount (other than an amount referred to in (a) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three days;

(c) any representation or warranty made or deemed made to any Agent or Lender in or in connection with or pursuant to any Loan Document or the Loans made hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall be false or misleading in any material respect when so made, deemed made or furnished (except to the extent already qualified by materiality, in which case it shall not be false or misleading in any respect);

(d) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in Section 4.02, Section 5.01(a), Section 5.01(b) (solely to the extent the failure to comply has resulted in a Material Adverse Effect), Section 5.04(b) (and such default shall continue unremedied for a period of ten days), Section 5.05(a), Section 5.08, or in Article VI (*provided* that any failure to comply with Section 6.10 shall be subject to cure pursuant to Section 7.02);

(e) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) or any Related Document and such default shall continue unremedied for a period of 30 days after the earlier of (i) written notice thereof from the Administrative Agent or any Lender to the Borrower and (ii) knowledge thereof by a Responsible Officer of Holdings or the Borrower;

(f) (i) Holdings, the Borrower or any Subsidiary shall fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any cure periods); or (ii) any other event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment (other than customary mandatory prepayments), repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (ii) shall not apply to secured Indebtedness that becomes due solely as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), or of all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), under the Bankruptcy Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or (iii) the winding-up or liquidation of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary); and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking relief under the Bankruptcy Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for

Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) become unable, admit in writing its liability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Holdings, the Borrower, any Subsidiary (other than any Immaterial Subsidiary) or any combination thereof and the same shall remain undischarged, unstayed, unvacated and unbonded for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) to enforce any such judgment and such judgment either (i) is for the payment of money in an aggregate amount in excess of $1,125,000 generally and $3,000,000 with respect to unpaid state taxes (after giving effect to insurance (and taking into account any deductibles) as to which Holdings, the Borrower or any Subsidiary has promptly submitted or will promptly submit a written claim in respect thereof to the applicable insurance carrier and the insurance carrier has not denied liability by an appropriate proceeding and is solvent and not an Affiliate of Holdings, the Borrower or any of its Subsidiaries) or (ii) is for injunctive relief and could reasonably be expected to result in a Material Adverse Effect;

(j) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of the Borrower, Holdings or any Subsidiary in an aggregate amount exceeding $1,000,000;

(k) any guarantee under the Guarantee and Collateral Agreement for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Guarantor shall deny in writing that it has any further liability under the Guarantee and Collateral Agreement (other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) any security interest purported to be created by any Security Document shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected, first priority (subject to Lien permitted by Section 6.02) security interest in the securities, assets or properties purported to be covered thereby (other than any Collateral that both (x) has a fair market value of not more than $375,000 in the aggregate, and (y) is not material to the operations, business or prospects of any Loan Party) other than by reason of action or inaction by the Collateral Agent, the Administrative Agent, the Lenders, the other Secured Parties or their Related Parties;

(m) any Subordinated Indebtedness of Holdings, the Borrower or any Subsidiary constituting Material Indebtedness shall cease (or any Loan Party or an Affiliate of any Loan Party shall so assert), for any reason, to be validly subordinated to the Obligations as provided in the agreements evidencing such Subordinated Indebtedness; or

(n) the Acquisition shall be unwound by a final, non-appealable judgment of a court of competent jurisdiction;

then, and in every such event (other than an event with respect to any of the Loan Parties described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such an Event of Default, the Administrative Agent may, and at the written request of the Required Lenders shall, by written notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in

whole or in part, whereupon the principal of the Loans so declared to be due and payable (and accrued interest thereon), together with the Applicable Prepayment Premium (other than in the case of acceleration of the Loans due to the Loan Parties' breach of the covenant set forth in Section 6.10) for the prepayment date with respect to such principal amount paid and accrued interest thereon, and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to any of the Loan Parties described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding (and accrued interest thereon), together with the Applicable Prepayment Premium for the prepayment date with respect to such principal amount paid and accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Collateral Agent shall have the right to enforce all of the Liens created pursuant to the Security Documents and exercise on behalf of itself and the other Secured Parties all rights and remedies available to it and the other Secured Parties under the Loan Documents or applicable law, including the right to appoint a receiver.

If the Obligations are accelerated for any reason, including because of default, Disposition or encumbrance (including that by operation of law or otherwise), the Applicable Prepayment Premium will also be due and payable on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of the Loans (but not any other amounts) as though said indebtedness was voluntarily prepaid and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. Any Applicable Prepayment Premium payable above shall be presumed to be the liquidated damages sustained by each Lender as the result of the early termination and the Borrower agrees that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable in the event the Obligations (and/or this Agreement or the Notes evidencing the Obligations) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. THE BORROWER EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREPAYMENT PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION**.** The Borrower expressly agrees that: (A) the Applicable Prepayment Premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Lenders and the Borrower giving specific consideration in this transaction for such agreement to pay the Applicable Prepayment Premium; and (D) the Borrower shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrower expressly acknowledges that its agreement to pay the Applicable Prepayment Premium to Lenders as herein described is a material inducement to Lenders to make the Loans.

SECTION 7.02. ***Right to Cure***.

(a) Notwithstanding anything to the contrary contained in Section 7.01, in the event that the Borrower fails to comply with the requirements of the covenant set forth in Section 6.10, during the period beginning on the first day following the applicable fiscal quarter (i.e., the last fiscal quarter in the period of non-compliance with the covenant set forth in Section 6.10) until the expiration of the 15th day

subsequent to the date the Compliance Certificate to be delivered pursuant to Section 5.04(c) for such fiscal quarter is required to be delivered (the "***Cure Date***"), Holdings shall have the right to use cash proceeds of any equity contribution (in the form of Qualified Capital Stock) to Holdings during such period (any such equity contribution to Holdings to exercise the Cure Right pursuant to this Section, a "***Cure Contribution***") or any issuance of Equity Interests by Holdings (other than any issuance of Disqualified Stock) during such period (any such Equity Interests issued by Holdings to exercise the Cure Right pursuant to this Section, "***Cure Securities***") to make an equity contribution to, or purchase equity of, the Borrower in each case, in the form of Qualified Capital Stock (collectively, the "***Cure Right***"), and upon the receipt by the Borrower of such cash (the "***Cure Amount***") pursuant to the exercise by Holdings of such Cure Right and written request to the Administrative Agent to effect such recalculation, the covenant set forth in Section 6.10 shall be recalculated giving effect to the following pro forma adjustments:

(i) Consolidated Revenue shall be increased for such fiscal quarter (and any four fiscal quarter-period that includes such fiscal quarter), solely for the purpose of measuring the covenant set forth in Section 6.10 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the covenant set forth in Section 6.10, the Borrower shall be deemed to have satisfied the requirements of the covenant set forth in Section 6.10 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the covenant set forth in Section 6.10 that had occurred shall be deemed cured for the purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary (i) in each four consecutive fiscal-quarter period there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) during the term of this Agreement, the Cure Right may be exercised no more than four times, (iii) the Cure Amount shall be no greater than the amount required for purposes of causing the Borrower to comply with the covenant set forth in Section 6.10, (iv) the proceeds of a Cure Contribution or Cure Securities shall be used to prepay the Loans (and such prepayment shall not be subject to the Applicable Prepayment Premium) and the Loans shall be deemed repaid for the purposes of recalculating the covenant set forth in Section 6.10.

(c) Upon the Administrative Agent's receipt of a notice from the Borrower that it intends to exercise the Cure Right (a "***Notice of Intent to Cure***"), until the 15th day subsequent to the date of required delivery of the related Compliance Certificate delivered pursuant to Section 5.04(c) to which such Notice of Intent to Cure relates, neither the Administrative Agent nor any Lender shall exercise the right to accelerate payment of the Loans or terminate or suspend the Commitments nor take any other remedy pursuant to Section 7.01 or otherwise and neither the Collateral Agent nor any other Lender shall exercise any right to foreclose on or take possession of the Collateral solely on the basis of an allegation of an Event of Default having occurred and being continuing under Section 7.01 due to failure by the Borrower to comply with the requirements of the covenant set forth in Section 6.10 for the applicable period.

ARTICLE VIII

The Administrative Agent and the Collateral Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the "***Agents***") its agent and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

The Person serving as the Administrative Agent and/or the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such Person and its affiliates may provide debt financing, equity capital or other services (including financial advisory services) to any of the Loan Parties (or any Person engaged in similar business as that engaged in by any of the Loan Parties) as if such Person was not performing the duties specified herein, and may accept fees and other consideration from any of the Loan Parties for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the Person serving as the Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction. Neither Agent nor any Lender shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent or such Lender by Holdings, the Borrower or a Lender, and neither Agent nor any Lender shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any 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 Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent or such Lender.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facility as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, either Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default), to appoint a successor other than any Excluded Lender. If no successor shall have been so appointed by the Required Lenders (with the Borrower's written consent, subject to the limitations on consent in the immediately preceding sentence) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent (other than any Excluded Lender) with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default) which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor (who shall not be an Excluded Lender and any attempted appointment of an Excluded Lender shall be absolutely void *ab initio*), such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. If within 30 days after written notice is given of the resigning Agent's resignation under this Article VIII no successor Agent shall have been appointed and shall have accepted such appointment, then on such 30th day (a) the retiring Agent's resignation shall become effective, (b) the retiring Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (c) the Required Lenders shall thereafter perform all duties of the retiring Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent that is not an Excluded Lender as provided above. The Borrower shall pay the reasonable and documented out-of-pocket fees of a successor Agent that is not an Excluded Lender and that is not appointed in violation of this paragraph. After an Agent's resignation hereunder, the provisions of this Article VII and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Each Lender hereby further authorizes the Collateral Agent, on behalf of and for the benefit of Lenders, to enter into the Intercreditor Agreement and into each Security Document as secured party and to be the agent for and representative of the Lenders thereunder, and each Lender agrees to be bound by the terms of each Security Document and the Intercreditor Agreement; *provided* that the Collateral Agent shall not (i) enter into or consent to any material amendment, modification, termination or waiver of any provision contained in any Security Document or the Intercreditor Agreement or (ii) release any Collateral (except as otherwise expressly permitted or required pursuant to the terms of this Agreement, the Intercreditor Agreement or the applicable Security Document), in the case of each of clauses (i) and

(ii) without the prior consent of Required Lenders (or, if required pursuant to Section 9.08, all Lenders); *provided further*, *however*, that, without further written consent or authorization from the Lenders, the Collateral Agent may execute any documents or instruments necessary to (a) release any Lien encumbering any item of Collateral (1) that is the subject of a sale or other Disposition of assets permitted by this Agreement, the other Loan Documents or to which Required Lenders have otherwise consented or (2) upon the payment in full of the Obligations (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), (b) release any Subsidiary Guarantor from the Guarantee and Collateral Agreement if all of the Equity Interests of such Subsidiary Guarantor are sold or otherwise Disposed of to any Person (other than an Affiliate of a Loan Party) pursuant to a sale or other Disposition permitted hereunder or under any of the other Loan Documents or to which Required Lenders have otherwise consented or (c) subordinate the Liens of the Collateral Agent, on behalf of the Secured Parties, to any Liens permitted by Section 6.02. Anything contained in any of the Loan Documents to the contrary notwithstanding, Holdings, the Borrower, the Collateral Agent and each Lender hereby agree that (1) no Lender shall have any right individually to realize upon any of the Collateral under or otherwise enforce any Security Document or the Intercreditor Agreement, it being understood and agreed that all powers, rights and remedies under the Security Documents and the Intercreditor Agreement may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (2) in the event of a foreclosure by either on any of the Collateral pursuant to a public or private sale, either Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Collateral Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Notwithstanding anything to the contrary herein, the Collateral Agent shall be permitted to take any action it is authorized to take under any Loan Document or the Intercreditor Agreement.

In case of the pendency of any case or proceeding under the Bankruptcy Code or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.05, Section 2.13, Section 2.17, and Section 9.05) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.05 and Section 9.05.

ARTICLE IX

Miscellaneous

SECTION 9.01. ***Notices***. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to Holdings or the Borrower, to them at Blackline Systems, Inc., 21300 Victory Blvd., 12th Floor, Woodland Hills, CA 91367, Attention: Controller (Fax No.: (818 223-9081) and Email: accounting @blackline.com), with a copy (which shall not constitute notice) to: (a) Silver Lake Sumeru Fund, L.P., 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025, Attention: Jason Babcoke (Fax No.: (650) 234-2526 and Email: Jason.Babcoke@SilverLake.com and (2) Kirkland & Ellis LLP, 555 California Street, San Francisco, CA 94104, Attention: Christopher Kirkham (Fax No.: (415) 439-1500 and
Email: christopher.kirkham@kirkland.com);

(ii) if to the Administrative Agent, to Obsidian Agency Services, Inc., c/o Tennenbaum Capital Partners, LLC, 2951 28th Street, Suite 1000, Santa Monica, California 90405, Attention: Asher Finci (Fax No. (310) 889-4950 and
Email: asher.finci@tennenbaumcapital.com), with a copy (which shall not constitute notice) to Proskauer Rose LLP, 2049 Century Park East, Suite 3200, Los Angeles, California 90067, Attention: Steven O. Weise and Glen K. Lim (Fax No. (310) 557-2193 and Email: sweise@proskauer.com and glim@proskauer.com); and

(iii) if to a Lender, to it at its address (or fax number) set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date 5 Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Holdings, the Borrower, the Administrative Agent and the applicable Lenders from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 9.02. ***Survival of Agreement***. All covenants, agreements, representations and warranties made by Holdings or the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other Obligation (other than contingent indemnity claims or expense reimbursement obligations not yet asserted) payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated. The provisions of Section 2.12, Section 2.13, Section 2.17 and Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03. ***Binding Effect***. This Agreement shall become effective when it shall have been executed by Holdings, the Borrower, the Collateral Agent and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04. ***Successors and Assigns***.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of Holdings, the Borrower, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees (which, for the avoidance of doubt, shall not be any Excluded Lender) all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), with the prior written consent of the Borrower and the Administrative Agent (not to be unreasonably withheld or delayed); *provided*, *however*, that (i) the consent of the Borrower shall not be required to any such assignment made (A) to another Lender or an Affiliate of a Lender, or (B) after the occurrence and during the continuance of any Designated Event of Default; *provided* that, notwithstanding anything to the contrary in this Agreement, the Borrower shall retain its right to consent in writing to an assignment to any Excluded Lender at all times, (ii) unless otherwise consented to in writing by the Borrower and the Administrative Agent, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to when such assignment is delivered to the Administrative Agent) shall be in an integral multiple of, and not less than, $1,000,000 (or, if less, the entire remaining amount of such Lender's Commitment or Loans), (iii) the parties to each such assignment shall manually execute and deliver to the Administrative Agent an Assignment and Acceptance, together with, unless waived by the Administrative Agent, a processing and recordation fee of $3,500 (*provided* that only one such fee shall be payable in the case of concurrent assignments to Persons that, after giving effect to such assignments, will be Related Funds), and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of, and subject to the requirements of, Section 2.12, Section 2.13, Section 2.17 and Section 9.05).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto (including the Borrower) as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any

Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) or delivered pursuant to Section 5.04 and such other documents and information as it has deemed reasonably appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at its principal executive offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). Absent manifest error, the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and, if required, the written consent of the Administrative Agent and, if required, the Borrower to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) notify the Borrower of such acceptance. The Administrative Agent shall promptly record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e). This Section 9.04(e) shall be construed so that any Commitment, Loan or other Obligation under the Loan Documents is in registered form under Section 5f103-1(c) of the United States Treasury Regulations.

(f) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other Persons (in each case, other than to an Excluded Lender) in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided, however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other Persons shall be entitled to the benefit of the cost protection provisions contained in Section 2.12 and Section 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17 and it being understood that the documentation required under Section 2.17 shall be delivered to the participating Lender) to the same extent as if they were Lenders (but, with respect to any particular participant), to no greater extent than the Lender that sold the participation to such participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after

the participant acquired the applicable participation, (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable to such participating bank or Person hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such participating bank or Person has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such participating bank or Person has an interest, increasing or extending the Commitments in which such participating bank or Person has an interest or releasing any Guarantor (other than in connection with the sale of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral) and (v) such bank or other Person shall not be an Excluded Lender. Notwithstanding anything to the contrary, no Lender shall enter into any agreement with any participant that will permit such participant to influence or control the voting rights of such Lender with respect to the Loans or Obligations (and no participant shall have or receive any voting rights with respect to the Loans or Obligations) except with regard to (i) decreases in the principal amount of, or extending the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waiving or excusing any such payment or any part thereof, or decreasing the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than any waiver of any increase in the interest rate applicable to the Loans as a result of the occurrence of an Event of Default and other than any waiver or extension of any mandatory prepayment), (ii) increasing or extending the Commitment or decreasing or extending the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such participant, or (iii) amending or modifying the pro rata requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of Section 9.08(b)(i)—(iii).

(g) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be *prima facie* evidence absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary and commercially reasonable exceptions) to bound by or preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(i) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(j) Notwithstanding anything to the contrary contained herein, any Lender (a "***Granting Lender***") may grant to a special purpose funding vehicle that is not an Excluded Lender (an "***SPC***"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in the Loans to the Granting Lender or to any financial institutions that are not Excluded Lenders (consented to by the Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis (upon receiving a signed agreement to be bound to confidentiality provisions similar to those in Section 9.16) any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. A Granting Lender that transfers all or any portion of its Loan to an SPC shall maintain a register that complies with the requirements set forth in Section 9.04(g).

(k) Neither Holdings nor the Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender. Notwithstanding anything to the contrary, any attempted assignment that is not permitted by the terms hereunder shall be absolutely void ab initio.

SECTION 9.05. ***Expenses; Indemnity***.

(a) Holdings and the Borrower agree, jointly and severally, to pay all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees (limited to one transactional counsel and one local counsel in each relevant jurisdiction) and reasonable and documented out-of-pocket fees, costs and expenses of accountants, advisors and consultants, incurred by the Administrative Agent, the Collateral Agent and their one counsel in the negotiation, preparation and administration of this Agreement and the other Loan Documents including reasonable and documented out-of-pocket travel costs and costs and expenses (not to exceed $7,500 in any fiscal year of Holdings related to the obtaining and maintenance of credit ratings) or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or relating to efforts to evaluate or assess any Loan Party, its business or financial condition or protect, evaluate, assess or Dispose of any of

the Collateral; and all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees (limited to one transactional counsel and one local counsel in each relevant jurisdiction), fees, costs and expenses of accountants, advisors and consultants and costs of settlement, incurred by the Administrative Agent, the Collateral Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the other Loan Documents (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Loan Documents) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings. Notwithstanding the foregoing, the parties hereto agree that Holdings, the Borrower and the other Loan Parties shall not be required to pay costs and expenses incurred on or prior to the Closing Date in connection with the primary syndication of the Credit Facility and the negotiation, preparation and administration of this Agreement and the other Loan Documents in excess of $300,000.

(b) Holdings and the Borrower agree, jointly and severally, to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and to hold each Indemnitee harmless from, any and all losses (other than lost profits), claims, damages, liabilities and related expenses, including reasonable and documented out-of-pocket counsel fees of one counsel and one local counsel in each relevant jurisdiction, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto or the plaintiff or defendant thereunder (and regardless of whether such matter is initiated by a third party, a Lender, or by Holdings, the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or its Affiliates, (B) result from a successful claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's material obligations hereunder or under any other Loan Document or (C) arise from disputes arising solely among Indemnitees that do not involve any act or omission by any Loan Party or its Affiliates (other than claims, damages, liabilities and related expenses against an Agent acting solely in its capacity as such, but not with respect to any other Person that is party to such dispute with an Agent).

(c) To the extent that Holdings and the Borrower fail to pay any amount required to be paid by them to the Administrative Agent or the Collateral Agent under paragraph (a) or (b) of this Section 9.05(c), each Lender severally agrees to pay to the Administrative Agent or the Collateral Agent, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Collateral Agent in its capacity as such. For purposes hereof, a Lender's "*pro rata* share" shall be determined based upon its share of the sum of the outstanding Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, neither Holdings nor the Borrower shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable within 10 Business Days of demand therefor.

SECTION 9.06. ***Right of Setoff***. If an Event of Default shall have occurred and be continuing, each Secured Party is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Secured Party to or for the credit or the account of Holdings or the Borrower against any of and all the obligations of Holdings or the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Secured Party, irrespective of whether or not such Secured Party shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Secured Party under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party may have.

SECTION 9.07. ***Applicable Law***. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. ***Waivers; Amendment***.

(a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on Holdings or the Borrower in any case shall entitle Holdings or the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, Holdings and the Required Lenders; *provided*, *however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than any waiver of any increase in the interest rate applicable to the Loans as a

result of the occurrence of an Event of Default and other than any waiver or extension of any mandatory prepayment), (ii) increase or extend the Commitment or decrease or extend the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such Lender, (iii) amend or modify the *pro rata* requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of this Section 9.08(b) or release any Guarantor (other than in connection with the sale or other disposition of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral, without the prior written consent of each Lender, (iv) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(j) without the written consent of such SPC, or (v) reduce the percentage contained in the definition of the term "Required Lenders" without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Commitments on the date hereof); *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent.

SECTION 9.09. ***Interest Rate Limitation***. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. ***Entire Agreement***. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. ***Severability***. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. ***Counterparts***. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14. ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. ***Jurisdiction; Consent to Service of Process***.

(a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court located in the City of New York, Borough of Manhattan, or of the United States of America sitting in the Southern District of New York. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. ***Confidentiality***. Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom

such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, but only to the extent required or desirable in connection with such exercise or enforcement, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) to the extent not an Excluded Lender, any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Holdings, the Borrower or any Subsidiary or any of their respective obligations, (f) with the written consent of the Borrower or (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16 by any Agent, any Lender or any of their Related Parties. For the purposes of this Section 9.16, "Information" shall mean all information received from Holdings, the Borrower or any Subsidiary and related to Holdings, the Borrower or any Subsidiary or their business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by Holdings, the Borrower or any Subsidiary; *provided* that with respect to clause (c) above, if the Administrative Agent, the Collateral Agent or any Lender receives a subpoena, interrogatory or other request (verbal or otherwise) for any Information, or believes that it is legally required to disclose any of the Information to a third party, it shall, in advance of such disclosure, to the extent practicable and legally permissible, promptly provide to the Borrower written notice of any such request or requirement so that Borrower or the applicable Loan Party (or Subsidiary thereof) may seek a protective order or other remedy; *provided*, *further*, that it shall (1) exercise reasonable efforts to preserve the confidentiality of such Information, (2) to the extent legally permissible and practicable, use commercially reasonable efforts to provide Borrower, in advance of such disclosure, with copies of any Information it intends to disclose (and, if applicable, the text of the disclosure language itself), and (3) reasonably cooperate at the reasonable cost and expense of the Borrower with the Borrower or applicable Loan Party (or Subsidiary thereof) to the extent Borrower or such Loan Party (or Subsidiary thereof) seeks to limit such disclosures. Notwithstanding anything to the contrary herein or in any other Loan Document or otherwise, each of the Administrative Agent, the Collateral Agent and the Lenders agrees not to disclose any Information to any Excluded Lender under any circumstance. Except with respect to disclosing any Information to an Excluded Lender, any Person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information.

SECTION 9.17. ***USA PATRIOT Act Notice***. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Holdings, the Borrower and the Subsidiary Guarantors that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Holdings, the Borrower and the Subsidiary Guarantors, which information includes the name and address of Holdings, the Borrower and the Subsidiary Guarantors and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Holdings, the Borrower and the Subsidiary Guarantors in accordance with the USA PATRIOT Act.

[Signature pages follow]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

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

SLS BREEZE INTERMEDIATE HOLDINGS, INC., as Holdings

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

BLACKLINE SYSTEMS, INC., as Borrower

By: /s/ Charles Best
Name: Charles Best
Title: Vice President, Chief Financial Officer and Treasurer

OBSIDIAN AGENCY SERVICES, INC., as Administrative Agen n Collateral Agent

By: /s/ David Hollander
Name: David Hollander
Title:

[Signature page to Credit Agreement]

SPECIAL VALUE CONTINUATION PARTNERS, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

TENNENBAUM OPPORTUNITIES FUND VI, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

[Signature Page to Credit Agreement]

TENNENBAUM SENIOR LOAN FUND II, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

TENNENBAUM SENIOR LOAN SPV III, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

TENNENBAUM SENIOR LOAN FUND IV-B, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: /s/ Phil Tseng
Name: Phil Tseng
Title: Managing Director

Schedule 1.01(a)—Subsidiary Guarantors

None

Schedule 1.01(c)—Existing Debt to Be Repaid

Loan and Security Agreement, dated April 19, 2011, between the Borrower and Silicon Valley Bank, as amended by the First Amendment, dated April 17, 2012 and the Second Amendment, dated May 19, 2013. ***($6,353.37 in fees outstanding thereunder were repaid in full and all commitments thereunder were canceled on September 24, 2013)***

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Schedule 2.01—Lenders and Commitments

Lender	Address	Commitment Amount
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ [***]
Tennenbaum Opportunities Fund VI, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ [***]
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ [***]
Tennenbaum Senior Loan SPV III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ [***]
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ [***]

Schedule 3.07(a)—Subsidiaries

Current Legal Entities Owned	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
BlackLine Systems, Inc.	SLS Breeze Intermediate Holdings, Inc.	001	1,000	100%
Blackline Systems Limited	BlackLine Systems, Inc.	002	100	100%
BlackLine Systems Pty Ltd	BlackLine Systems, Inc.	002	100	100%

Schedule 3.07(c)—Stock Appreciation Rights, Phantom Stock Plans or Similar Plans

None

Schedule 3.08—Litigation

None

Schedule 3.17—Insurance

Blackline Systems
Summary of Commercial Insurance Policies

Coverage Description	Policy Number	Insurance Carrier	Effective/Expiration Dates
Commercial Package:			
Property, General Liability, Auto, Umbrella, Kidnap & Ransom	###	Atlantic Specialty Insurance Co.	9/13/2013 – 9/13/2014
Executive Protection:			
Directors & Officers, Employment Practices Liability, Fiduciary Liability	###	Lloyd's of London	9/3/2013 – 9/3/2014
Errors & Omissions / Cyber Liability	###	Lloyd's of London	9/13/2013 – 9/13/2014
Workers' Compensation	###	Atlantic Specialty Insurance Co.	9/13/2013 – 9/14/2014
Workers' Compensation – UK	###	Amlin UK Limited	7/2/2013 – 7/2/2014

Schedule 3.18(a)—UCC Filing Offices

Loan Party	UCC Filing Office
SLS Breeze Intermediate Holdings, Inc.	Office of the Secretary of State of the State of Delaware
BlackLine Systems, Inc.	Office of the Secretary of State of the State of California

Schedule 3.19(a)—Owned Real Property

None

Schedule 3.19(b)—Leased Real Property

21300 Victory Boulevard, Suites 1100 and 1200, Woodland Hills, California 91367

- 44 Market Street, Level 26, Sydney, NSW 2000, Australia
- 1 Southbank Boulevard, Riverside Quay, Southbank, VIC 3006, Australia
- The Company has entered into office service agreements for the following locations:
    - Riverbridge House Business Centre, Guilford Road, Leatherhead, Surrey KT22 9AD, United Kingdom;
    - Regus Properties, 100 Pall Mall, St. James, London SW1Y 5NQ, United Kingdom;
    - Regus Properties, 845 Third Ave., #619, New York, NY;
    - Regus Properties, Park 80 West/250 Pehle Ave., #92-93, Saddleback. NJ;
    - Regus Properties, 12600 Deerfield Pkwy, #2036, Atlanta, GA;
    - Regus Properties, Congress Center #1005, 1001 SW 5th Ave., Suite 1100, Portland, OR; and
    - Regus Properties, 875 N. Michigan Ave., #3184AC, Chicago, IL.

Schedule 3.24—Financial Advisors

None

Schedule 3.26—Deposit Accounts and Securities Accounts

Account Holder	Names and Address	Account Type	Account Number
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara , CA 95054	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara , CA 95054	ZBA	###
BlackLine Systems, Inc.	Wells Fargo Bank P.O. Bank 6995 Portland, OR 97228	Checking	###
BlackLine Systems, Inc.	Westpac Banking Corporation Level 31, 275 Kent Street Sydney, NSW 2000	Checking	###
BlackLine Systems, Inc.	National Westminster Bank City of London Office P.O. Box 12258 1 Princes Street London EC2R 8PA	Checking	###
BlackLine Systems, Inc.	Lloyds TSB Bank PLC Corn Street Bristol, UK	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara , CA 95054	Money Market Collateral	###

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Schedule 3.28(a)—Intellectual Property

Jurisdiction	Registered Owner	Mark	Registration No. (Application No.)
U.S. – Federal	Blackline Systems, Inc.	It's Accounted For	3371371
U.S. – Federal	Blackline Systems, Inc.	No More Bullsheet	4084274
U.S. – Federal	Blackline Systems, Inc.	Design Mark	4022105
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems & Design Mark	4360338
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems	(86004666)
U.S. – Federal	Blackline Systems, Inc.	Blackline	(86004675)
E.U.	Blackline Systems, Inc.	Blackline	10322709
E.U.	Blackline Systems, Inc.	Blackline Systems	10322758
Australia	Blackline Systems, Inc.	Blackline	1453761
Australia	Blackline Systems, Inc.	Blackline Systems	1453766

REGISTERED DOMAIN NAMES

Blackline.com
Blacklineondemand.com
Blackline.eu
Blackline.mx
Nomorebullsheet.com
Account-reconciliation.com
Acct-rec.com
Acct-recs.com
Blackline.fr
Blacklinesolutions.com
Blacklinesystems.com
Blacklinetech.com
Blacklinetechnologies.com
Myblackline.com
Nomorebullsheets.com
Recwizardondemand.com
Account-reconciliations.com
Acct-rec.com
Accountreconciliations.com

Schedule 6.01—Existing Indebtedness

Irrevocable Standby Letter of Credit ####, dated January 13, 2011 for $[***] in favor of Douglas Emmet 2008 LLC issued by Silicon Valley Bank with respect to lease at 21300 Victory Boulevard, Suite 1200, Woodland Hills CA **(100% Cash Collateralized and Undrawn as of the Closing Date)**

Schedule 6.02—Existing Lien

Borrower has granted Silicon Valley Bank a security interest in Collateral Money Market Account #### with Silicon Valley Bank and all renewals, substitutions, additions, replacements and proceeds thereof to secure no more than 100% of Borrower's payment and performance obligations related to that certain Irrevocable Standby Letter of Credit ####, dated January 13, 2011, for $[***] in favor of Douglas Emmet 2008 LLC issued by Silicon Valley Bank with respect to lease at 21300 Victory Boulevard, Suite 1200, Woodland Hills CA **(Undrawn as of the Closing Date)**

Liens recorded under the following UCC filings:

Debtor:	Secured Party:	Type of Filing:	Filing Date/ File No.:	Jurisdiction	Collateral Description:
Blackline Systems, Inc. 23586 Calabasas Road Suite 103 Calabasas, CA 91302	Cisco Systems Capital Corporation 1111 Old Eagle School Road Wayne, PA 19087	UCC	03/16/11 11-7263676403	California Secretary of State	Equipment listed on Schedule A attached thereto.
Blackline Systems, Inc. 21300 Victory Blvd 12th FL Woodland Hills, CA 91367	Dell Financial Services L.L.C. Mail stop-PS2DF-23 One Dell Way Round Rock, TX 78682	UCC	05/23/11 11-7270595592	California Secretary of State	Equipment pursuant to Lease #003-8414245-005, dated May 20, 2011.
Blackline Systems, Inc. 21300 Victory Blvd 12th FL Woodland Hills, CA 91367	Dell Financial Services L.L.C. Mail stop-PS2DF-23 One Dell Way Round Rock, TX 78682	UCC	08/23/11 11-7282005995	California Secretary of State	Equipment pursuant to Lease #003-8414245-006, dated August 22, 2011.

Schedule 6.04—Existing Investments

None

Schedule 6.07—Transactions with Affiliates

UK Intercompany Services Agreement, entered into as of June 1, 2012, between BlackLine Systems, Inc. and BlackLine Systems Ltd.

EXHIBIT A

FORM OF NOTICE OF BORROWING

_____ __, ____

Obsidian Agency Services, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
c/o Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, CA 90405
Attention: Asher Finci
Fax: (310) 889-4950

Re: BLACKLINE SYSTEMS, INC.

Reference is made to that certain Credit Agreement, dated as of September , 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the lenders from time to time party thereto (the "***Lenders***"), and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.02(c) of the Credit Agreement that the undersigned hereby requests a borrowing (the "***Proposed Borrowing***") under the Credit Agreement and, in connection therewith, sets forth below the information relating to the Proposed Borrowing as required by Section 2.02(c) of the Credit Agreement:

(a) The date of the Proposed Borrowing is the Closing Date.

(b) The aggregate principal amount of the Proposed Borrowing is $ 25,000,000.

At the time of the Proposed Borrowing and also immediately after giving effect thereto, (i) there is no Default or Event of Default and (ii) all representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition.

At the time of the Proposed Borrowing, no injunction or other restraining order has been issued and no hearing to cause an injunction or other restraining order to be issued is pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the Transactions or the making of Loans under the Credit Agreement.

Delivery of an executed counterpart of this Notice of Borrowing by telecopier or other electronic means shall be effective as delivery of an original executed counterpart of this Notice of Borrowing.

[Remainder of page intentionally left blank]

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF BORROWING]

EXHIBIT B

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS TERM NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT." BLACKLINE SYSTEMS, INC. WILL PROMPTLY MAKE AVAILABLE TO THE HOLDER HEREOF INFORMATION REGARDING THE ISSUE PRICE, ISSUE DATE, YIELD TO MATURITY, AMOUNT OF ORIGINAL ISSUE DISCOUNT (AND ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE TO THE HOLDER PURSUANT TO U.S. TREASURY REGULATIONS), UPON THE WRITTEN REQUEST OF SUCH HOLDER DIRECTED TO [ ][1]

FORM OF NOTE[2]

$[ ] [ ], 2013

FOR VALUE RECEIVED, the undersigned, BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***", together with all successors and assigns), promises to pay (hereinafter, together with its successors in title and permitted assigns, the "***Lender***"), the principal sum of [ ] ($[ ]), or such lesser amount as is outstanding from time to time, on the dates and in the amounts set forth in the Credit Agreement (as hereafter defined), with interest, fees, expenses and costs at the rate and payable in the manner stated in the Credit Agreement. As used herein, the "***Credit Agreement***" means and refers to that certain Credit Agreement, dated as of September , 2013 (as such may be amended, restated, supplemented or otherwise modified from time to time) by and among the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

This Note is a "Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. This Note is also entitled to the benefits of the Guarantee and Collateral Agreement and is secured by the Collateral. The principal of, and interest on, this Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. The Administrative Agent's books and records concerning the Loans, the accrual of interest and fees thereon and the repayment of such Loans shall be prima facie evidence of the indebtedness to the Lender hereunder, absent manifest error.

No delay or omission by the Administrative Agent, the Collateral Agent or the Lender in exercising or enforcing any of the Administrative Agent's, the Collateral Agent's or the Lender's powers, rights, privileges, remedies or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver.

The Borrower waives presentment, demand, notice and protest, and also waives any delay on the part of the holder hereof. The Borrower assents to any extension or other indulgence (including, without limitation, the release or substitution of Collateral) permitted by the Administrative Agent, the Collateral Agent and/or the Lender with respect to this Note and/or any Security Document or any extension or other indulgence with respect to any other liability or any collateral given under the Loan Documents to secure any other liability of the Borrower or any other Person obligated on account of this Note.

1 Blackline to Confirm.

2 [NTD: This Form assumes the Credit Agreement will contemplate more than one Lender/Noteholder and to give consideration to possible future assignments breaking up the amount of Loans. To be updated pending Credit Agreement revisions.]

This Note shall be binding upon the Borrower and upon its permitted successors, assigns, and representatives, and shall inure to the benefit of the Lender and its permitted successors, endorsees and assigns. There are certain restrictions on the assignment and transfer of this Note and the obligations evidenced by this Note in the Credit Agreement (including, without limitation, in Section 9.04 of the Credit Agreement).

Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Note or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the Borrower and, by its acceptance hereof, the Lender, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Note shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Note or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction. Each of the Borrower and, by its acceptance hereof, the Lender, irrevocably and unconditionally waives, to the fullest extent that it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Note in any court located in the City of New York, Borough of Manhattan, or the United States of America sitting in the Southern District of New York. Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Each of the Borrower and, by its acceptance hereof, the Lender, makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Administrative Agent and the Lender or the Borrower, as applicable, are each relying thereon. EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE.

[*Remainder of page intentionally left blank*]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed and delivered by its duly authorized officer as of the date first above written.

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO FORM OF NOTE]

LOANS AND PAYMENTS

Date	Amount of Loan	Maturity Date	Payments of Principal/Interest	Principal Balance of Note	Name of Person Making this Notation
Sept. , 2013	$[ ]	, 2018			

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

EXHIBIT C

[AGENT LOGO]

ADMINISTRATIVE QUESTIONNAIRE

BLACKLINE SYSTEMS, INC.

Agent Address:

Obsidian Agency Services, Inc.
c/o Tennenbaum Capital
Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, CA 90405

Return form to: _____

Telephone: (310)889-4950
Facsimile: _____
E-mail: _____

It is very important that **all** of the requested information be completed accurately and that this questionnaire be returned promptly. If your institution is sub-allocating its allocation, please fill out an administrative questionnaire for each legal entity.

Legal Name of Lender to appear in Documentation:

_____

Tax ID Number: _____

Signature Block Information: _____

- Signing Credit Agreement ☐ Yes ☐ No
- Coming in via Assignment ☐ Yes ☐ No

Type of Lender:

Bank ☐ Asset Manager ☐ Broker/Dealer ☐ CLO/CDO ☐ Finance Company ☐ Hedge Fund ☐ Insurance ☐ Mutual Fund ☐ Pension Fund ☐ Other Regulated Investment Fund ☐ Special Purpose Vehicle ☐ Other-please specify) ☐

Lender Parent: _____

Address

_____

_____

_____

_____

Contacts/Notification Methods: Borrowings, Paydowns, Interest, Fees, etc.

	Primary Credit Contact	Secondary Credit Contact

Syndicate-level information (which may contain material non-public information about the Borrower and its related parties or their respective securities) will be made available to the Credit Contact(s). The Credit Contacts identified must be able to receive such information in accordance with his/her institution's compliance procedures and applicable laws, including Federal and state securities laws.

Name:		
Company:		
Title:		
Address:		
Telephone:		
Facsimile:		
E-Mail Address:		

	Primary Operations Contact	Secondary Operations Contact
Name:		
Company:		
Title:		
Address:		
Telephone:		
Facsimile:		
E-Mail Address:		

Lender's Domestic Wire Instructions

Bank Name: _____
ABA/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Lender's Foreign Wire Instructions

Currency: _____
Bank Name: _____
Swift/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Administrative Agent's Wire Instructions

Bank Name: _____
ABA/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Tax Documents

NON-U.S. LENDER INSTITUTIONS:

I. Corporations:

If your institution is incorporated outside of the United States for U.S. federal income tax purposes, and is the beneficial owner of the interest and other income it receives, you must complete one of the following three tax forms, as applicable to your institution: ***a.) Form W-8BEN*** (*Certificate of Foreign Status of Beneficial Owner*), ***b.) Form W-8ECI*** (*Income Effectively Connected to a U.S. Trade or Business*), or ***c.) Form W-8EXP*** (*Certificate of Foreign Government or Governmental Agency*).

A U.S. taxpayer identification number is required for any institution submitting Form W-8ECI. It is also required on Form W-8BEN for certain institutions claiming the benefits of a tax treaty with the U.S. Please refer to the instructions when completing the form applicable to your institution. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **An original tax form must be submitted.**

II. Flow-Through Entities:

If your institution is organized outside the U.S., and is classified for U.S. federal income tax purposes as either a Partnership, Trust, Qualified or Non-Qualified Intermediary, or other non-U.S. flow-through entity, an original ***Form W-8IMY*** (*Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding*) must be completed by the intermediary together with a withholding statement. Flow-through entities other than Qualified Intermediaries are required to include tax forms for each of the underlying beneficial owners.

Please refer to the instructions when completing this form. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **Original tax form(s) must be submitted.**

U.S. LENDER INSTITUTIONS:

If your institution is incorporated or organized within the United States, you must complete and return ***Form W-9*** *(Request for Taxpayer Identification Number and Certification).* **Please be advised that we request that you submit an original Form W-9.**

Pursuant to the language contained in the tax section of the Credit Agreement, the applicable tax form for your Non-U.S. or U.S. institution must be completed and returned on or prior to the date on which your institution becomes a Lender under the Credit Agreement. Failure to provide the proper tax form when requested may subject your institution to U.S. tax withholding.

EXHIBIT D

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this "***Assignment and Acceptance***") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "***Assignor***") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration set forth below as the "Purchase Price", [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and[the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty (express or implied) by [the][any] Assignor.

1. Assignor[s]: _____
2. Assignee[s]: _____

   _____

   [for each Assignee *identify Lender*]

3. Borrower: BLACKLINE SYSTEMS, INC.

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

4. Administrative Agent: Obsidian Agency Services, Inc., including any successor thereto, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of September , 2013, among BLACKLINE SYSTEMS, INC., a California corporation, as the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, as Holdings and a Guarantor, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the Administrative Agent and as Collateral Agent for the Lenders.

6. Assigned Interest:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Loans for all	Amount of Loans Assigned	Percentage Assigned of Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

7. Purchase Price: $_____

[8. Trade Date: _____[9]

Effective Date: , 20 [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[Remainder of page intentionally left blank]

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
9 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and Accepted:

OBSIDIAN AGENCY SERVICES, INC., as Administrative Agent

By: _____
Name:
Title:][10]

[Consented to: BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:][11]

[SIGNATURE PAGE TO ASSIGNMENT AND ACCEPTANCE]

10 Administrative Agent's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.
11 Borrower's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.

Annex 1

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; and (b) except as set forth in (a) above, makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of its obligations under the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it is legally authorized to enter into such Assignment and Acceptance; (ii) it meets all the requirements to be an assignee under Section 9.04(b) and (c) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.04(b) of the Credit Agreement); (iii) from and after the Effective Date referred to in this Assignment and Acceptance, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder; (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type; (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest and (vi) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, including but not limited to any documentation required pursuant to Section 2.17 of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) and Section 3.05(b) of the Credit Agreement or delivered pursuant to Section 5.04 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (d) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms of the Credit Agreement, together with such powers as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts (and by different parties hereto indifferent counterparts), each of which shall constitute an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the internal laws of the State of New York.

4. Eligible Assignee. Each Person who is to become a Lender under the Credit Agreement is required to meet the requirements in Section 9.04 of the Credit Agreement and to be an "Eligible Assignee". [The][each] Assignor and [the][each] Assignee represent and warrant that they have each taken the necessary actions to confirm that [the][each] Assignee meets the requirements to be an "Eligible Assignee' under the Credit Agreement and the assignment evidence by this Assignment and Acceptance is in accordance with all provisions in the Credit Agreement, including, without limitation, Section 9.04 of the Credit Agreement.

EXHIBIT E

FORM OF GUARANTEE AND COLLATERAL AGREEMENT

dated as of

[●]

among

BLACKLINE SYSTEMS, INC.,

SLS BREEZE INTERMEDIATE HOLDINGS, INC.,

the Subsidiaries of the Borrower
from time to time party hereto

and

OBSIDIAN AGENCY SERVICES, INC.,
as Collateral Agent

TABLE OF CONTENTS

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Schedules

Exhibits

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

GUARANTEE AND COLLATERAL AGREEMENT dated as of September 25, 2013 (this "***Agreement***"), among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("***Holdings***"), the Subsidiaries of the Borrower from time to time party hereto (the "***Subsidiary Guarantors***") and OBSIDIAN AGENCY SERVICES, INC. ("***Obsidian***"), as collateral agent (in such capacity, the "***Collateral Agent***").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement dated as of September 25, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among the Borrower, Holdings, the lenders from time to time party thereto (the "***Lenders***") and Obsidian, as administrative agent (in such capacity, the "***Administrative Agent***") and Collateral Agent.

The Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified in, the Credit Agreement. The obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of this Agreement by the Borrower and each Guarantor (such term and each other capitalized term used but not defined in this preliminary statement having the meaning given or ascribed to it in Article I). Each Guarantor is an affiliate of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and is willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Credit Agreement.*** Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the New York UCC shall have the meanings assigned to them in the New York UCC; provided that to the extent that the New York UCC is used to define any capitalized terms used herein and if such term is defined differently in different Articles of the New York UCC, the definition of such term contained in Article 9 of the New York UCC shall govern. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings assigned to them in the Credit Agreement.

(a) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. ***Other Defined Terms***. As used in this Agreement, the following terms have the meanings specified below:

"***Administrative Agent***" shall have the meaning assigned to such term in the preliminary statement.

"***Article 9 Collateral***" shall have the meaning assigned to such term in Section 4.01.

"***Bankruptcy Law***" shall mean the Bankruptcy Code or any other foreign, federal or state bankruptcy, insolvency, receivership or similar law.

"***Borrower***" shall have the meaning assigned to such term in the preamble.

"***Borrower Obligations***" shall mean all Obligations of the Borrower.

"***Collateral***" shall mean the Article 9 Collateral and the Pledged Collateral.

"***Collateral Agent***" shall have the meaning assigned to such term in the preamble.

"***Copyright License***" shall mean any written agreement, now or hereafter in effect, granting any right to any third person under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any third person, and all rights of such Grantor under any such agreement.

"***Copyrights***" shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise and all tangible and intangible property embodied therein, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office (or any successor office or any similar office in any other country), including those listed on Schedule III.

"***Credit Agreement***" shall have the meaning assigned to such term in the preliminary statement.

"***Excluded Accounts***" shall mean (i) deposit accounts or securities accounts which have been established and are used in the ordinary course for the sole purpose of making payroll and withholding tax payments related thereto and other employee wage and benefit payments to or for the benefit of a Grantor's employees and unpaid employee compensation (including salaries, wages, benefits, health savings and expense reimbursements); *provided* that, with respect to payroll accounts only, the aggregate amount on deposit in all such deposit accounts or securities accounts does not exceed 150% of the payment obligations described in this clause (i) for the current pay period), (ii) zero balance accounts, (iii) any "political action committee" account that contains solely proceeds of donations from third parties and employees of Holdings or any of its Subsidiaries, (vi) trust accounts and (v) any deposit account or securities account for the sole purpose of holding cash that serves as collateral or security for letters of credit issued under agreements permitted under Section 6.01(iii)(b) of the Credit Agreement; *provided* that the aggregate amount on deposit in all such deposit accounts or securities accounts does not exceed 105% of the aggregate face amount of such letters of credit.

"***Excluded Assets***" shall mean (a) property subject to a purchase money security interest or Capital Lease Obligations permitted under the Credit Agreement, (b) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions) of any relevant jurisdiction, in each case, unless preempted), (c) any lease, license, contract, property rights or agreement to which any Grantor is a party or any of its rights, properties or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation, unenforceability or violation of any right, title or interest of any Grantor or any of its Affiliates therein or (ii) in a breach or termination pursuant to the terms of, or otherwise require consent under, any such lease, license, contract property rights or agreement (other than, in either case, to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions) of any relevant jurisdiction), (d) any assets or property to the extent granting, creating or perfecting a pledge, security interest or Lien on such asset or property is prohibited or restricted by applicable law, order or regulation (including, without limitation, any requirement to obtain the consent or approval of any Governmental Authority or third Person); *provided*, that the foregoing exclusions in this clause (d) shall in no way be construed to apply to the extent that the prohibition is unenforceable under Sections 9406, 9-407, 9-408 or 9-409 of the New York UCC (or any successor provision or provisions) of any relevant jurisdiction), (e) any Excluded Accounts, (f) any Excluded Equity Interests (g) any real property or real property interests (including, without limitation, leasehold interests) other than Material Domestic Real Property, (h) any asset or property with respect to which the Collateral Agent and the Borrower mutually determine that the costs of obtaining a security interest or Lien therein exceeds the practical benefit to the Lenders of the security afforded thereby, (i) any Identified Excluded Assets, (j) all commercial tort claims (as defined in the UCC) in an amount less than or equal to $750,000 in the aggregate, and (k) any intent-to-use trademark application, solely during the period in which the grant of a security interest therein would impair the validity or enforceability of, or render void or voidable or result in the abandonment or cancellation of the applicable Grantor's right, title or interest in, such intent-to-use trademark application or any Trademark issued as a result of such use trademark application under applicable federal law, after which period such application shall be automatically subject to the security interest granted herein and deemed to be included in the Article 9 Collateral.

"***Federal Securities Laws***" shall have the meaning assigned to such term in Section 5.04.

"***Grantors***" shall mean the Borrower and the Guarantors.

"***Guaranteed Obligations***" shall have the meaning assigned to such term in Section 2.01.

"***Guarantor Obligations***" shall mean, with respect to any Guarantor, all Obligations of such Guarantor (including Obligations which may arise under Article II).

"***Guarantors***" shall mean Holdings and the Subsidiary Guarantors.

"***Holdings***" shall have the meaning assigned to such term in the preamble.

"***Identified Excluded Assets***" shall mean foreign assets (other than Equity Interest) of the Grantors the granting of a Security Interest under this Agreement in which (together with the filing of a UCC financing statement) could reasonably be expected to result in adverse tax consequences to the Loan Parties and previously identified in writing to the Collateral Agent; *provided*, that, to the extent one or more foreign assets so identified would cause the aggregate value of all "Identified Excluded Assets" to exceed 10% of Consolidated Total Assets, such foreign assets shall have been reasonably approved by the Collateral Agent (acting in good faith); *provided*, that, in no event shall any Material Foreign Asset constitute an Identified Excluded Asset.

"***License***" shall mean any Patent License, Trademark License, Copyright License or other license or sublicense agreement relating to Intellectual Property to which any Grantor is a party, including those listed on Schedule III.

"***Motor Vehicles***" shall mean all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title under the laws of any state, all tires and all other appurtenances to any of the foregoing.

"***New York UCC***" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"***Patent License***" shall mean any written agreement, now or hereafter in effect, granting to any third person any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third person, is in existence, and all rights of any Grantor under any such agreement.

"***Patents***" shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office (or any successor or any similar offices in any other country), including those listed on Schedule III, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"***Perfection Certificate***" shall mean a certificate substantially in the form of Exhibit B, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Responsible Officer of the applicable Grantor.

"***Pledged Collateral***" shall have the meaning assigned to such term in Section 3.01.

"***Pledged Debt Securities***" shall have the meaning assigned to such term in Section 3.01.

"***Pledged Securities***" shall mean any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"***Pledged Stock***" shall have the meaning assigned to such term in Section 3.01.

"***Secured Obligations***" shall mean (i) in the case of the Borrower, the Borrower Obligations and (ii) in the case of any Guarantor, its Guarantor Obligations.

"***Secured Parties***" shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent**,** (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (e) the successors and assigns of each of the foregoing.

"***Security Interest***" shall have the meaning assigned to such term in Section 4.01.

"***Subsidiary Guarantor***" shall mean (a) each Subsidiary of the Borrower identified on Schedule I hereto as a Subsidiary Guarantor and (b) each other Wholly-Owned Subsidiary that is a Domestic Subsidiary that becomes a party to this Agreement as a Subsidiary Guarantor after the Closing Date in accordance with the Credit Agreement.

"***Trademark License***" shall mean any written agreement, now or hereafter in effect, granting to any third person any right to use any Trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark now or hereafter owned by any third person, and all rights of any Grantor under any such agreement.

"***Trademarks***" shall mean all of the following now owned or hereafter acquired by any Grantor: (a) all trademarks, service marks, trade names, internet domain names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing), indicia and other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"***Trademark Security Agreement***" shall mean an agreement substantially in the form of Exhibit E hereto.

"***Unfunded Advances***" shall mean with respect to the Administrative Agent, the aggregate amount, if any (i) made available to the Borrower on the assumption that each Lender has made its portion of the applicable borrowing available to the Administrative Agent as contemplated by Section 2.02(b) of the Credit Agreement and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the Borrower or made available to the Administrative Agent by any such Lender.

SECTION 1.03. ***Independence of Covenants***. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted as an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of an Event of Default or Default of such action is taken or condition exists.

ARTICLE II

Guarantee

SECTION 2.01. ***Guarantee.*** Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Borrower Obligations (the "***Guaranteed Obligations***") when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any Guaranteed Obligation, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. Notwithstanding anything contained herein to the contrary, the Obligations of each Subsidiary Guarantor at any time shall be limited to the maximum amount as will result in the Obligations of such Subsidiary Guarantor under this Agreement not constituting a fraudulent transfer or conveyance for purposes of any Bankruptcy Law to the extent applicable to this Agreement and the Obligations of such Subsidiary Guarantor hereunder

SECTION 2.02. ***Guarantee of Payment.*** Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Guaranteed Obligations or to any balance of any Deposit Account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other Person.

SECTION 2.03. ***No Limitations, Etc.*** (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.16, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Guaranteed Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) and a partial payment in cash of the Guaranteed Obligations), including any claim of

waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall be valid and enforceable and shall not be discharged, terminated, reduced, impaired or otherwise affected by, whether Guarantor shall have had notice or knowledge of any of them, (i) the failure or omission of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or applicable law, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document, including with respect to any other Guarantor under this Agreement, (iii) the release of, or any impairment of or failure to perfect any Lien on or security interest in, any security held by the Collateral Agent or any other Secured Party for the Guaranteed Obligations or any of them, (iv) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, (v) the existence of any dispute between the Borrower and any Secured Party with respect to the existence of any Event of Default, (vi) any defenses, set offs or counterclaims which the Borrower may allege or assert against any Secured Party in respect of the Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury or (vii) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the payment in full in cash of all the Guaranteed Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations)). Each Guarantor expressly authorizes the Collateral Agent to take and hold security for the payment and performance of the Guaranteed Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in its sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Guaranteed Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than a defense (i) of the payment in full in cash of all the Guaranteed Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) or (ii) that no Guaranteed Obligations are yet due and payable. The Collateral Agent may, at its election, upon the occurrence and during the continuance of an Event of Default, in accordance with the Loan Documents and applicable law, foreclose on any security held by any Secured Party by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to it against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been fully and paid in full in cash (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations). To the fullest extent permitted by applicable law, each Guarantor waives for the benefit of the Secured Parties: (i) any right to

require any Secured Party, as a condition of payment or performance by such Guarantor, to (A) proceed against the Borrower, any other guarantor (including any other Guarantor) of the Obligations or any other Person, (B) proceed against or exhaust any security held from the Borrower, any such other guarantor or any other Person, (C) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Secured Party in favor of the Borrower or any other Person, or (D) pursue any other remedy in the power of any Secured Party whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Borrower or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Borrower or any other Guarantor from any cause other than the payment in full in cash of the Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations); (iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (iv) any defense based upon any Secured Party's errors or omissions in the administration of the Obligations; (v) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (B) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (C) any rights to set offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that any Secured Party protect, secure, perfect or insure any security interest or lien or any property subject thereto; (vi) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, notices of any renewal, extension or modification of the Obligations or any agreement related thereto, notices of any extension of credit to the Borrower and notices of any of the matters referred to in this Section 2.03 and any right to consent to any thereof; and (vii) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

(c) Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than the payment in full in cash of the Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations). In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(i) Each Guarantor agrees the obligations of each Guarantor hereunder are independent of the obligations of the Borrower and the obligations of any other guarantor (including any other Guarantor) of the obligations of the Borrower, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower or any of such other guarantors and whether or not the Borrower is joined in any such action or actions;

(ii) payment by any Guarantor of a portion, but not all, of the Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Obligations which has not been paid; and without limiting the generality of the foregoing, if the Collateral Agent is awarded a judgment in any suit brought to enforce

any Guarantor's covenant to pay a portion of the Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Obligations; and

(iii) any Secured Party, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (a) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Obligations; (b) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (c) request and accept other guaranties of the Obligations and take and hold security for the payment hereof or the Obligations; (d) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Obligations; (e) enforce and apply any security now or hereafter held by or for the benefit of such Secured Party in respect hereof or the Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Secured Party may have against any such security, in each case as such Secured Party in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against the Borrower or any security for the Obligations; and (f) exercise any other rights or remedies available to it under the Loan Documents.

SECTION 2.04. ***Reinstatement.*** Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. ***Agreement To Pay; Subrogation.*** In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Guaranteed Obligation when and as the same shall become due and payable, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code), each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation plus any accrued and unpaid interest on such Obligation (including interest which, but for the

Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Obligations whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case). Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI. If any payment shall be required to be made to any Secured Party under this Agreement, each Guarantor hereby unconditionally and irrevocably agrees it will contribute, to the maximum extent permitted by law, such amounts to each other Guarantor and the Borrower so as to maximize the aggregate amount paid to the Secured Parties under or in connection with the Loan Documents.

SECTION 2.06. ***Information.*** Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that neither the Collateral Agent nor any other Secured Party will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Pledge of Securities

SECTION 3.01. ***Pledge.*** As security for the payment or performance, as the case may be, in full of the Secured Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Grantor's right, title and interest in, to and under (a)(i) the Equity Interests owned by such Grantor on the date hereof (including all such Equity Interests listed on Schedule II), (ii) any other Equity Interests obtained in the future by such Grantor and (iii) the certificates representing all such Equity Interests (all the foregoing collectively referred to herein as the "***Pledged Stock***"); *provided* that, notwithstanding anything to the contrary, "Pledged Stock" shall not include any Excluded Equity, (b)(i) the debt securities held by such Grantor on the date hereof (including all such debt securities listed opposite the name of such Grantor on Schedule II), (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (all the foregoing collectively referred to herein as the "***Pledged Debt Securities***"), (c) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above, (d) subject to Section 3.06, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b) and (c) above, and (e) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (e) above being collectively referred to as the "***Pledged Collateral***"); *subject*, *however*, to the terms, covenants and conditions hereinafter set forth.

SECTION 3.02. ***Perfection of the Pledged Collateral.***

(a) Each Grantor agrees promptly (and in any event within five (5) Business Days of issuance (or such later date as permitted by Collateral Agent in its sole discretion)) to deliver or cause to be delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) any and all "security certificates" (as defined in Article 8 of the New York UCC) representing or evidencing Pledged Stock of a Person that is a corporation, or if such Person is a limited liability company or limited partnership, solely to the extent its Equity Interests constitute "securities" governed by Article 8 of the New York UCC (such Pledged Stock so represented by security certificates, the "Certificated Pledged Stock").

(b) Each Grantor agrees promptly (and in any event within five (5) Business Days of issuance (or such later date as permitted by Collateral Agent in its sole discretion)) to deliver or cause to be delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) any and all Pledged Debt Securities (other than (i) intercompany notes between Grantors and (ii) intercompany notes with a principal amount of less than $500,000) with a principal amount of at least $250,000 (provided that in no event shall the principal amount of all Pledged Debt Securities excluded by operation of the foregoing minimum threshold exceed $1,000,000 in the aggregate); provided that, notwithstanding the foregoing, Instruments evidencing loans and advances to officers and employees of any Grantor permitted under Sections 6.04(v) and 6.04(xi) of the Credit Agreement, shall not be required to be delivered to the Collateral Agent unless requested by the Collateral Agent following an Event of Default.

(c) Upon delivery to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement), (i) any Certificated Pledged Stock shall be accompanied by undated stock powers duly executed in blank or other undated instruments of transfer reasonably satisfactory to the Collateral Agent and duly executed in blank and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) subject to Sections 3.02(a) and (b), all other property comprising part of the Pledged Collateral which is required to be delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) shall be accompanied by proper instruments of assignment duly executed by the applicable Grantor and such other instruments or documents as the Collateral Agent may reasonably request. To the extent necessary to maintain the accuracy of Schedule II, each delivery of Certificated Pledged Stock shall be accompanied with an update to Schedule II; provided that failure to update such schedule hereto shall not affect the validity of the pledge of such Certificated Pledged Stock.

(d) Each Grantor hereby agrees that if any of the Pledged Stock is at any time not evidenced by securities certificates ("Uncertificated Pledged Stock"), then each applicable Grantor shall, to the extent permitted by applicable law and upon the reasonable request of the Collateral Agent, cause such pledge to be recorded on the equityholder register or the books of the issuer, execute customary pledge forms or other documents necessary to perfect the Collateral Agent's Lien in such Uncertificated Pledged Stock and give the Collateral Agent the right to transfer such Uncertificated Pledged Stock under the terms hereof, or alternatively, the applicable Grantor may issue "security certificates" (as defined in Article 8 of the New York UCC) for such Pledged Stock. To the extent necessary to maintain the accuracy of Schedule II, Schedule II shall be updated upon each such action with respect to Uncertificated Pledged Stock; provided that failure to update such schedule hereto shall not affect the validity of the pledge of such Uncertificated Pledged Stock.

SECTION 3.03. ***Representations, Warranties and Covenants.*** The Grantors jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Schedule II correctly sets forth the percentage of the issued and outstanding shares of each class of the Equity Interests of the issuer thereof represented by such Pledged Stock and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder;

(b) the Pledged Stock and Pledged Debt Securities have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof;

(c) except for the security interests granted hereunder, each Grantor (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule II as owned by such Grantor, (ii) holds the same free and clear of all Liens, other than Liens created under the Revolving Loan Documents and Liens permitted by Section 6.02 of the Credit Agreement, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than as made in compliance with the Credit Agreement, and (iv) subject to Section 3.02(a) and (b) and Section 3.06, will cause any and all Pledged Collateral, whether for value paid by such Grantor or otherwise, to be forthwith (and in any event within five (5) Business Days of issuance (or such later date as permitted by Collateral Agent in its sole discretion)) deposited with the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) and pledged or assigned hereunder;

(d) except for restrictions and limitations imposed by the Loan Documents or securities laws generally, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(e) each Grantor (i) has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than any Lien created hereunder, any Lien created under the Revolving Loan Documents, or otherwise permitted by Section 6.02 of the Credit Agreement), however arising, of all Persons whomsoever;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other Person is necessary with respect to the validity of the pledge effected hereby (other than such as have been obtained and are in full force and effect);

(g) by virtue of the execution and delivery by each Grantor of this Agreement, when any Pledged Collateral that is required to be delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) in accordance with this Agreement is delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) in accordance with this Agreement, together with such undated powers (or other relevant document of transfer reasonably acceptable to Borrower and Collateral Agent) endorsed in blank as shall be requested by the Collateral Agent, the Collateral Agent will obtain a legal, valid and perfected first priority (subject to the Intercreditor Agreement) lien and security interest in such Pledged Collateral as security for the payment and performance of the Secured Obligations (other than Liens otherwise permitted under Section 6.02 of the Credit Agreement); and

(h) the pledge effected hereby is effective to vest in the Collateral Agent, for the ratable benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein and all action by any Grantor necessary to protect and perfect the Lien on the Pledged Collateral has been duly taken.

SECTION 3.04. ***Certification of Limited Liability Company Interests and Limited Partnership Interests.*** No interest in any limited liability company or limited partnership that is a Subsidiary and pledged hereunder shall be represented by a certificate or shall be a "security" within the meaning of Article 8 of the New York UCC.

SECTION 3.05. ***Registration in Nominee Name; Denominations.*** The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Each Grantor will promptly (and in any event within ten (10) Business Days (or such later date as permitted by Collateral Agent in its sole discretion)) give to the Collateral Agent copies of any material notices or other material communications received by it with respect to Pledged Securities in its capacity as the registered owner thereof. The Collateral Agent shall at all times have the right to exchange the certificates representing Certificated Pledged Stock for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. ***Voting Rights; Dividends and Interest, Etc.*** (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given the Grantors not less than two (2) Business Days' prior written notice of its intent to exercise its rights under this Agreement, subject to the Intercreditor Agreement:

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents;

(ii) The Collateral Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to each Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (i) above.

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are not prohibited by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable law; *provided*, *however*, that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities of the type required to be delivered to the Collateral Agent (or the Revolving Loan Agent) in accordance with paragraphs (a) and (b) of Section 3.02, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall, subject to the terms and conditions of this Agreement, be and become part of the Pledged Collateral, and, if received by any Grantor, shall be held separate and apart by such Grantor from any of its other funds or property, shall be held in trust for the ratable benefit of the Secured Parties and the Revolving Loan Agent and shall be promptly (and in any event within ten (10) Business Days (or such later date as permitted by Collateral Agent in its sole discretion)) delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement) in the same form as so received (with any necessary endorsement or instrument of assignment).

(iv) The Collateral Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to each Grantor, all such instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to receive the dividends, interest, principal and other distributions which it is entitled to exercise pursuant to paragraph (iii) above.

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have given the Grantors not less than two (2) Business Days' prior written notice, subject to the Intercreditor Agreement, of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and, subject to the Intercreditor Agreement, all such rights shall thereupon become vested in the Collateral Agent and the Revolving Loan Agent subject to the provisions of the Intercreditor Agreement, which, together, shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. After such an Event of Default is no longer continuing, each Grantor shall have the right to receive the dividends, interest, principal or other distributions which it would be authorized to

receive and retain pursuant to paragraph (a)(iii) of this Section 3.06. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.06 shall be held separate and apart by such Grantor from any of its other funds or property and shall be held in trust for the benefit of the Collateral Agent and the Revolving Loan Agent shall be forthwith delivered to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement)in the same form as so received (with any necessary endorsement or instrument of assignment). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and each applicable Grantor has delivered to the Administrative Agent certificates to that effect, the Collateral Agent shall, promptly after all such Events of Default have been cured or waived, repay to each applicable Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have given the Grantors not less than two (2) Business Days' prior written notice, subject to the Intercreditor Agreement, of the suspension of their rights under paragraph (a)(i) of this Section 3.06, then all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, until no Event of Default is continuing; *provided* that the Collateral Agent shall have the right, in its sole discretion, from time to time following the occurrence and continuance of an Event of Default and after providing the two (2) Business Days' notice mentioned above to permit such Grantor to exercise such rights under paragraph (a)(i) of this Section 3.06. After such Event of Default is no longer continuing, each Grantor shall have the right to exercise the voting and consensual rights and powers that it would otherwise be entitled to pursuant to paragraph (a)(i) of this Section 3.06

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. ***Security Interest.*** (a) As security for the payment or performance, as the case may be, in full of the Secured Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "***Security Interest***"), in all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "***Article 9 Collateral***"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all cash and Deposit Accounts;

(iv) all Documents;

(v) all Equipment;

(vi) all Fixtures;

(vii) all General Intangibles;

(viii) all Instruments;

(ix) all Inventory;

(x) all Investment Property;

(xi) all Intellectual Property;

(xii) all Letter-of-Credit Rights;

(xiii) all Commercial Tort Claims as set forth in Schedule IV;

(xiv) all Motor Vehicles;

(xv) all books and records pertaining to the Article 9 Collateral; and

(xvi) to the extent not otherwise included, all other personal property of each Grantor, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, that, (a) notwithstanding anything to the contrary, "Article 9 Collateral" shall not include Excluded Assets and (b) notwithstanding the foregoing, unless requested by the Collateral Agent following the occurrence and during the continuation of an Event of Default, no Grantor shall be required to take any action to perfect the Security Interest in Motor Vehicles to the extent such Security Interest cannot be perfected solely by the filing of financing statements (or similar documents).

(b) Each Grantor hereby irrevocably (until this Agreement is terminated in accordance with Section 7.16) authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction as determined by the Collateral Agent in its good faith discretion any initial financing statements (including fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto that (i) describe the collateral in the same manner as described herein or contain a 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 the perfection or priority of the security interest in the collateral granted to the Collateral Agent in connection herewith, including, describing such property as "all assets whether now owned or hereafter acquired" or "all personal property whether now owned or hereafter acquired" (regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code) and (ii) contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates; provided that the Collateral Agent agrees to provide, upon request of any Grantor, written evidence to any Person that a security interest in favor of the Collateral Agent does not extend to any Excluded Assets. Each Grantor agrees to provide such information to the Collateral Agent promptly (and in any event within ten (10) Business Days, or such later date as the Agent may agree in its sole discretion) upon reasonable written request.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, and naming any Grantor or the Grantors as debtors and the Collateral Agent as secured party, including the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Article 9 Collateral.

SECTION 4.02. ***Representations and Warranties.*** The Grantors jointly and severally represent and warrant to the Collateral Agent, for the benefit of the Secured Parties, on each date that the representations and warranties in Article III of the Credit Agreement are made, that:

(a) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. No Grantor has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office, (iii) any notice under the Assignment of Claims Act, or (iv) any assignment in which any Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. No Grantor holds any Commercial Tort Claims in an amount reasonably estimated to exceed $250,000 individually or $750,000 in the aggregate except as indicated on Schedule IV.

(b) As of the date hereof, each Grantor has good and valid rights in and title to substantially all of the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and no consent or approval of any other Person is required for the grant of the security interest by such Grantor of the Collateral pledged by it pursuant to this Security Agreement, except for (a) such consents which have been obtained prior to the date hereof and (b) in the case of any Collateral located in or governed by law in a jurisdiction outside the United States, such actions as may be required by applicable foreign laws affecting the grant of the security interest in such Collateral.

(c) The Perfection Certificate has been duly executed and the information set forth therein (including (x) the exact legal name of each Grantor and (y) the jurisdiction of organization of each Grantor) is correct and complete in all material respects as of the Closing Date (or as of such earlier date to the extent such information relates to an earlier date).

(d) On the date hereof, the fair market value of all Motor Vehicles owned by the Grantors does not exceed $200,000.

SECTION 4.03. ***Covenants.***

(a) Each Grantor shall, at its own expense, take any and all actions necessary to defend title to the Article 9 Collateral against all Persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof (subject to the Intercreditor Agreement), against any Lien not otherwise permitted pursuant to Section 6.02 of the Credit Agreement.

(b) Subject to the limitations expressly set forth herein or in the Credit Agreement, and except where the cost exceeds the practical benefits to the Secured Parties as reasonably and mutually agreed by Borrower and Collateral Agent in accordance with Section 4.05, each Grantor agrees, at its own expense, promptly to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all other actions as the Collateral Agent may from time to time reasonably request to better assure, obtain, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and Taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing or continuation statements (including fixture filings) or other documents in connection herewith or therewith.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Collateral Agent, with prior written notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule III or adding additional schedules hereto to identify specifically any asset or item of a Grantor that may, in the Collateral Agent's reasonable judgment, constitute Copyrights, Licenses, Patents or Trademarks; *provided* that any Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

Notwithstanding anything herein to the contrary, no foreign law perfection actions or foreign law opinion letters shall be required with respect to any Collateral other than Material Foreign Assets.

(c) At its option, during the continuance of an Event of Default, subject to any applicable provisions in the Interecreditor Agreement, the Collateral Agent may discharge past due Taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not expressly permitted pursuant to Section 5.03 or Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent within ten (10) Business Days of demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided, however*, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to Taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable and documented out-of-pocket attorney's fees, court costs, expenses and other charges relating thereto and incurred in accordance with Section 9.05 of the Credit Agreement, shall be additional Secured Obligations secured hereby.

(d) Each Grantor, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.02 of the Credit Agreement. Subject to the Intercreditor Agreement, each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, upon the occurrence and only during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required under the Credit Agreement or to pay any premium in whole or part relating thereto that would rise to a level of an Event of Default existing under Section 5.02 of the Credit Agreement, the Collateral Agent may, without waiving or releasing any obligation or liability of any Grantor hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other reasonable actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable and documented out-of-pocket attorneys' fees, court costs, expenses and other charges relating thereto and incurred in accordance with Section 9.05 of the Credit Agreement, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Secured Obligations secured hereby.

(e) Each Grantor shall maintain, in form and manner reasonably satisfactory to the Collateral Agent, records of its Chattel Paper and its books, records and documents evidencing or pertaining thereto.

(f) Without limiting any provisions contained herein or in any other Loan Documents, at its option, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may make "protective advances" to pay for any obligation of any Grantor or to make any payments necessary to maintain or preserve value (including going concern value) of the Collateral; provided, however, that nothing in this paragraph shall be interpreted as imposing any obligation on the Collateral Agent or any Secured Party to (i) make any such "protective advance", or any similar advance or disbursement, or otherwise to establish any course of dealing between the Secured Parties and the Grantors of any kind or nature or (ii) cure or perform any obligations or other promises of any Grantor. The making of any such "protective advance" shall not be construed as a waiver of any Defaults or Events of Default nor shall the making of any such "protective advance" be construed as a satisfaction, reinstatement, modification, amendment or extension by any Secured Party of the Loans or the Loan Documents, or as a waiver, relinquishment or forbearance by any Secured Party of any of its rights and remedies under the Loans or the Loan Documents. All "protective advances" disbursed by the Collateral Agent in connection with this paragraph, including reasonable and documented out-of-pocket attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, within ten (10) Business Days' written demand, by the Grantors to the Collateral Agent and shall be additional Secured Obligations secured hereby and shall bear interest until paid at the applicable interest rate specified in the Credit Agreement.

SECTION 4.04. ***Other Actions.*** In order to further insure the attachment, perfection and priority (subject to the Intercreditor Agreement and the Liens permitted by Section 6.02 of the Credit Agreement) of, and the ability of the Collateral Agent to enforce, the Security Interest in the Article 9 Collateral, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) [Reserved]**.**

(b) ***Deposit Accounts.*** Subject to Section 4.05(b), for each Deposit Account (other than Excluded Accounts) that any Grantor at any time opens or maintains, such Grantor shall, upon the Collateral Agent's written request, cause the depositary bank to execute and deliver an agreement in form and substance satisfactory to the Collateral Agent pursuant to which such depository bank agrees to comply at any time with instructions from the Collateral Agent to such depositary bank directing the disposition of funds from time to time credited to such Deposit Account, without further consent of such Grantor or any other Person (other than the Revolving Loan Agent pursuant to the Intercreditor Agreement). The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such instructions unless (i) an Event of Default has occurred and is continuing or (ii) the Collateral Agent has received notice of the applicable depository bank's intention to terminate such agreement and such Grantor has not, within five (5) Business Days of receipt by the Collateral Agent of such notice, entered into arrangements reasonably satisfactory to the Collateral Agent ensuring Collateral Agent's continued perfected security interest in the relevant Deposit Account or the transfer of funds from the Specified Account to another Deposit Account as to which the Collateral Agent

has a perfected security interest, or such other arrangement as may be agreed by the Collateral Agent. The provisions of this paragraph shall not apply to any Deposit Account for which any Grantor, the depositary bank, the Collateral Agent and the Revolving Loan Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depositary bank, the Collateral Agent and the Revolving Loan Agent for the specific purpose set forth therein.

(c) ***Investment Property.*** Except to the extent otherwise provided in Article III, if any Grantor shall at any time hold or acquire any "securities certificates" (as defined in Article 8 of the New York UCC), other than Excluded Equity, such Grantor shall promptly (and in any event within five (5) Business Days of issuance (or such later date as permitted by Collateral Agent in its sole discretion)) endorse, assign and deliver the same to the Collateral Agent (or the Revolving Loan Agent pursuant to the Intercreditor Agreement), accompanied by such undated instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. Subject to Section 4.05(b), if any securities (other than securities or other Investment Property constituting Excluded Assets) now or hereafter acquired by any Grantor are "uncertificated securities" (as defined in Article 8 of the New York UCC) and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly (and in any event within ten (10) Business Days (or such later date as permitted by Collateral Agent in its sole discretion)) notify the Collateral Agent thereof and, at the Collateral Agent's written request and in its reasonable discretion, do one of the following: (w) pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Grantor or such nominee (x) cause a security entitlement with respect to such uncertificated securities to be held in a securities account with respect to which the Collateral Agent has Control, (y) arrange for the Collateral Agent (or the Revolving Loan Agent as agent for the Collateral Agent pursuant to the Intercreditor Agreement) to become the registered owner of the uncertificated securities or (z) issue "securities certificates" (as defined in Article 8 of the New York UCC) for such Equity Interests. Subject to Section 4.05(b), if any securities, whether certificated or uncertificated, or other Investment Property (other than securities or other Investment Property constituting Excluded Assets) now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a Securities Intermediary or Commodity Intermediary, such Grantor shall promptly (and in any event within ten (10) Business Days (or such later date as permitted by Collateral Agent in its sole discretion)) notify the Collateral Agent thereof and, at the Collateral Agent's written request cause such Securities Intermediary or Commodity Intermediary to execute and deliver an agreement in form and substance reasonably satisfactory to the Collateral Agent pursuant to which such Securities Intermediary or Commodity Intermediary, as the case may be, agrees to comply with Entitlement Orders from the Collateral Agent to such Securities Intermediary as to such securities or other Investment Property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such Commodity Intermediary, in each case without further consent of any Grantor or such nominee. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such Entitlement Orders or instructions or directions to any such issuer, Securities Intermediary or Commodity Intermediary unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given the Grantors not less than two (2) Business Days' prior written notice of its intent to exercise its rights under this Agreement. The provisions of this paragraph shall not apply to any

Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any instructions or directions to any Securities Intermediary, and shall not withhold its consent to the exercise of any withdrawal rights by such Grantor, unless an Event of Default has occurred and is continuing. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any entitlement orders to any issuer of "uncertificated securities" (as defined in Article 8 of the New York UCC) unless an Event of Default has occurred and is continuing and the Collateral Agent has provided at least two (2) Business Days' prior written notice to the applicable Grantor before exercising any remedies with respect thereto.

(d) ***Electronic Chattel Paper and Transferable Records.*** If any Grantor at any time holds or acquires an interest in any Electronic Chattel Paper or any "transferable record", as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, in each case to the extent that the aggregate value or face amount of such electronic Chattel Paper equals or exceeds $500,000, such Grantor shall notify the Collateral Agent thereof concurrently with the delivery of the financial statements referred to in paragraphs (a) or (b) of Section 5.04 of the Credit Agreement that are next due and, at the written request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request in writing to vest in the Collateral Agent control under New York UCC Section 9 105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Grantor to make alterations to the Electronic Chattel Paper or transferable record permitted under New York UCC Section 9 105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would immediately occur after taking into account any action by such Grantor with respect to such Electronic Chattel Paper or transferable record.

(e) ***Letter-of-Credit Rights.*** If any Grantor is at any time a beneficiary under any letters of credit now or hereafter issued in favor of such Grantor having a face amount or value of $500,000 or more in the aggregate, such Grantor shall notify the Collateral Agent thereof concurrently with the delivery of the financial statements referred to in paragraphs (a) or (b) of Section 5.04 of the Credit Agreement that are next due and, at the written request of the Collateral Agent, such Grantor shall (within five (5) Business Days), use its commercially reasonably efforts to have executed and delivered an agreement in form and substance reasonably satisfactory to the Collateral Agent, pursuant to which either (i) the issuer and any confirmer of such letter of credit consents to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii)the Collateral Agent becomes the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

(f) ***Commercial Tort Claims.*** If any Grantor shall at any time hold or acquire a Commercial Tort Claim (other than Excluded Assets), the Grantor shall notify the Collateral Agent thereof concurrently with the delivery of the financial statements referred to in paragraphs (a) or (b) of Section 5.04 of the Credit Agreement that are next due in a writing signed by such Grantor including a summary description of such claim and supplemental Schedule IV to include any such Commercial Tort Claim.

SECTION 4.05. ***Perfection or Other Action Cost vs. Benefit Determination; Exceptions to Control Agreements***.

(a) Notwithstanding anything to the contrary herein or in any other Loan Document, although such property and assets shall still be considered Collateral, the Grantors shall not be required to perfect the security interest granted to the Collateral Agent under this Security Agreement or any other Loan Document or to take any other action with respect to any property, asset or right to use any property or any asset to the extent the burden or cost of perfecting a Lien in favor of the Collateral Agent or taking any other action is excessive in relation to the benefit of the security afforded thereby, as reasonably and mutually agreed by Borrower and Collateral Agent. Any property, asset or right to use any property or any asset that is subject to the conditions set forth in the immediately preceding sentence of this Section 4.05 shall be an exception or carve-out to any representation, warranty or covenant in any Loan Document relating to the perfection, priority or actions taken on the Collateral.

(b) Notwithstanding anything to the contrary in the first sentence of Section 4.04(b) and the second and third sentences of Section 4.04(c) or in any other Loan Document, the Grantors shall not be required to deliver an agreement granting Control to the Collateral Agent or otherwise provide Control, arrange for the Collateral Agent (or the Revolving Loan Agent as agent for the Collateral Agent) to become the registered owner of the relevant uncertificated securities or issue "securities certificates" in respect of the relevant uncertificated securities or take any other perfection action with respect to (i) any Excluded Account or (ii) Deposit Accounts, securities accounts, uncertificated securities and other Investment Property (excluding, in each case, Excluded Assets) the value of which or the amount on credited thereto, as the case may be, does not exceed $750,000 in the aggregate (for all such assets in this clause (ii) taken as a whole).

SECTION 4.06. ***Covenants Regarding Patent, Trademark and Copyright Collateral.*** (a) Each Grantor agrees that it will not, and will take commercially reasonable steps to not permit any of its licensees to, do any act, or omit to do any act, whereby any Patent that is material to the conduct of such Grantor's business may become invalidated, unenforceable or dedicated to the public, in whole or in part, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws, in each case except as would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business (i) maintain such Trademark as valid and in full force and effect free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such

Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights, in each case, except as could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(c) Each Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws in each case except as could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows or has reason to believe that any Patent, Trademark or Copyright material to the conduct of its business may become invalidated, unenforceable, abandoned, lost or dedicated to the public, in whole or in part, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright necessary for or material to the conduct of such Grantor's businesses (or for the registration of any Trademark or Copyright necessary for or material to the conduct of such Grantor's businesses) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States, unless it notifies (or will notify) the Collateral Agent in accordance with Section 5.04 of the Credit Agreement, and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Security Interest in such Patent, Trademark or Copyright, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Grantor will take all necessary steps, in such Grantor's reasonable business judgment, that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(g) In the event that any Grantor knows that any Article 9 Collateral consisting of a Patent, Trademark or Copyright necessary for or material to the conduct of such Grantor's businesses has been infringed or misappropriated by a third person, such Grantor shall, if consistent with good business judgment in such Grantor's reasonable discretion, sue for infringement, misappropriation or dilution and to recover damages for such infringement, misappropriation or dilution.

(h) Upon the occurrence and during the continuance of an Event of Default, each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License, and each other material License, to effect the assignment of all such Grantor's right, title and interest thereunder to the Collateral Agent, for the ratable benefit of the Secured Parties, or its designee.

ARTICLE V

Remedies

SECTION 5.01. ***Remedies Upon Default.*** Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent (or to the Revolving Loan Agent pursuant to the Intercreditor Agreement) on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times (subject, in each case, to the Intercreditor Agreement): (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantor to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law and the notice required in the immediately following paragraph, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by

applicable law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Notwithstanding anything to the contrary herein, the Collateral Agent agrees that it shall give the Borrower at least two (2) Business Days' written notice prior to enforcing (including the exercise of voting rights in respect thereof) on the portion of the Collateral constituting Equity Interests.

The Collateral Agent shall give each applicable Grantor ten (10) days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such written notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by applicable law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by applicable law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. ***Application of Proceeds.*** Subject to the Intercreditor Agreement, the Collateral Agent shall apply the proceeds of any collection, sale, foreclosure or other realization upon any Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in their respective capacities as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement, any other Loan Document or any of the Secured Obligations, including all court costs and the reasonable fees and out-of-pocket expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent and/or the Collateral Agent hereunder, or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of Unfunded Advances (the amounts so applied to be distributed to the Administrative Agent in accordance with the amount of Unfunded Advances owed to it on the date of any such distribution);

THIRD, to the payment in full of interest due and payable in respect of any Loans (the amounts so applied to be distributed among the Lenders pro rata in accordance with the amounts of interest owed to them on the date of any such distribution);

FOURTH, to the payment in full of principal on the Loans (the amounts so applied to be distributed among the Lenders pro rata in accordance with the amounts of principal owed to them on the date of any such distribution);

FIFTH, to the payment in full of all other Secured Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Secured Obligations owed to them on the date of any such distribution); and

SIXTH, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. ***Grant of License to Use Intellectual Property.*** For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants, effective solely upon the occurrence and during the continuation of an Event of Default, to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors), to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; *provided*, *however*, that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. ***Securities Act, Etc.*** In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the U.S. Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "***Federal Securities Laws***") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable "blue sky" or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral during the continuance of an Event of Default after two (2) Business Days' prior written notice has been delivered to such Grantor, reasonably limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, during the continuance of an Event of Default after two (2) Business Days' prior written notice has been delivered to such Grantor, the Collateral Agent, in its sole, absolute and commercially reasonable discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might

have been realized if the sale were deferred until after registration as aforesaid or if more than a limited number of purchasers (or a single purchaser) were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. ***Indemnity and Subrogation.*** In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part a claim of any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. ***Contribution and Subrogation.*** Each Guarantor (a "***Contributing Guarantor***") agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Secured Obligation, or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Secured Obligation owed to any Secured Party, and such other Guarantor (the "***Claiming Guarantor***") shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Guarantor shall indemnify the Claiming Guarantor in an amount equal to (i) the amount of such payment or (ii) the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.17, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Guarantor under Section 6.01 to the extent of such payment.

SECTION 6.03. ***Subordination.*** (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to, shall not be paid prior to and shall not be asserted prior to the payment in full in cash of the Secured Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations). No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of its obligations hereunder.

(b) The Borrower and each Guarantor hereby agree that all Indebtedness and other monetary obligations owed by it to the Borrower or any Subsidiary shall be fully subordinated to, shall not be paid prior to and shall not be asserted prior to the payment in full in cash of the Secured Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations).

ARTICLE VII

Miscellaneous

SECTION 7.01. ***Notices.*** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. ***Security Interest Absolute.*** All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to the foregoing, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Secured Obligations or this Agreement (other (i) the payment in full of the Secured Obligations (other than unasserted contingent indemnification Obligations and unasserted expense reimbursement Obligations) and the termination of the Commitments and (ii) the termination of this Agreement in accordance with Section 7.16 hereof.).

SECTION 7.03. ***Survival of Agreement.*** All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any Lender or on their behalf and notwithstanding that the Collateral Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 7.04. ***Limitation by Law***. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 7.05. ***Binding Effect; Several Agreement.*** This Agreement shall become effective when it shall have been executed by each Loan Party and the Collateral Agent and when the Collateral Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except as expressly contemplated or permitted by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.06. ***Successors and Assigns.*** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.07. ***Collateral Agent's Fees and Expenses; Indemnification.*** The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

SECTION 7.08. ***Collateral Agent Appointed Attorney-in-Fact.*** Each Grantor hereby appoints the Collateral Agent as the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes hereof (subject to the Intercreditor Agreement), which appointment coupled with an interest and is irrevocable until the Secured Obligations have been paid in full (other than unasserted contingent indemnification Obligations and unasserted expense reimbursement Obligations) and the termination of the Commitments. Without limiting the generality of the foregoing, ands subject in each case to the Intercreditor Agreement, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof, (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral, (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of

the Collateral, (d) to send verifications of Accounts, Chattel Paper, Instruments and General Intangibles to any Account Debtor or any other Person obligated thereon, (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral, (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral, (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent, and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement in accordance with its terms, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided*, *however*, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except to the extent that such act or failure is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from their own gross negligence or willful misconduct or the gross negligence or willful misconduct of its respective Affiliates.

SECTION 7.09. ***Applicable Law.*** **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.**

SECTION 7.10. ***Waivers; Amendment.*** (a) No failure or delay by the Collateral Agent, the Administrative Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver hereof or thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent, the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.10, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.11. ***WAIVER OF JURY TRIAL.*** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.11.

SECTION 7.12. ***Severability.*** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.13. ***Counterparts.*** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 7.05. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.14. ***Headings.*** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.15. ***Jurisdiction; Consent to Service of Process.*** (a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding

shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent, the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Grantor or its properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court located in the City of New York, Borough of Manhattan, or of the United States of America sitting in the Southern District of New York. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.16. ***Termination or Release.*** (a) This Agreement, the guarantees made herein, the Security Interest, the pledge of the Pledged Collateral and all other security interests granted hereby shall immediately and automatically terminate when all the Secured Obligations have been paid in full (other than contingent indemnity claims not yet asserted and unasserted expense reimbursement obligations) and the Lenders have no further commitment to lend under the Credit Agreement.

(b) A Subsidiary Guarantor shall immediately and automatically be released from its obligations hereunder and the Security Interests created hereunder in the Collateral of such Subsidiary Guarantor shall be immediately and automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement to any Person that is not the Borrower or a Guarantor, or, upon the effectiveness of any written consent to the release of the Security Interest granted hereby in any Collateral pursuant to Section 9.08 of the Credit Agreement, the Security Interest in such Collateral shall be immediately and automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Collateral Agent shall promptly (and in any case no more than five (5) Business Days from the date of such termination or release) execute and deliver to any Grantor, at such Grantor's expense, all Uniform Commercial Code termination statements and similar documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.16 shall be without recourse to or representation or warranty by the Collateral Agent or any Secured Party. Without limiting the provisions of Section 7.07, the Borrower shall reimburse the Collateral Agent upon demand for all reasonable and documented out-of-pocket costs and expenses, including the reasonable and documented fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.16.

SECTION 7.17. ***Additional Subsidiaries.*** Any Subsidiary that is required to become a party hereto pursuant to Section 5.12 of the Credit Agreement shall enter into this Agreement as a Subsidiary Guarantor and a Grantor upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and such Subsidiary of a supplement in the form of Exhibit A hereto, such Subsidiary shall become a Subsidiary Guarantor and a Grantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor and a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.18. [Reserved].

SECTION 7.19. ***Conflicts.*** This Agreement is subject in all respects to the Intercreditor Agreement. In the case of any conflict or inconsistency between any terms of this Agreement, on the one hand, and any of the terms and provisions of the Intercreditor Agreement, on the other hand, then the terms and provisions of the Intercreditor Agreement shall control. The parties hereto agree that, for so long as the Intercreditor Agreement remains in effect, any obligation of any Grantor hereunder with respect to delivery or control of Revolving Credit Priority Collateral (as defined in the Intercreditor Agreement) shall be deemed satisfied if such Grantor delivers or provides control of such Revolving Loan Priority Collateral to the Revolving Loan Agent.

SECTION 7.20. ***Revolving Loan Agreement and Intercreditor Agreement.*** Notwithstanding anything herein to the contrary, each of the Grantors and the Collateral Agent acknowledges and agrees that, as of the date hereof, neither the Revolving Loan Agreement nor the Intercreditor Agreement has been entered into and, accordingly, all references herein to such documents (and references to "the Revolving Loan Agent") shall have no force and effect until such documents have been executed and delivered to the Administrative Agent and the Collateral Agent and all conditions to the effectiveness thereunder have been satisfied or waived in accordance with their respective terms.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

BLACKLINE SYSTEMS, INC.

by _____
Name:
Title:

SLS BREEZE INTERMEDIATE HOLDINGS, INC.

by _____
Name:
Title:

OBSIDIAN AGENCY SERVICES, INC., as Collateral Agent

by _____
Name:
Title:

Schedule I to the Guarantee and
Collateral Agreement

SUBSIDIARY GUARANTORS

[None.]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Schedule II to the Guarantee and Collateral Agreement

EQUITY INTERESTS

Issuer	Number of Certificate	Registered Owner	Number and Class of Equity Interest	Percentage of Equity Interests

PLEDGED DEBT SECURITIES

Issuer	Principal Amount	Date of Note	Maturity Date

Schedule III to the Guarantee and
Collateral Agreement

U.S. COPYRIGHTS OWNED BY [NAME OR GRANTOR]

[Make a separate page of Schedule III for each Grantor and state if no copyrights are owned. List in numerical order by Registration No.]

U.S. Copyright Registrations

Title	Reg. No.	Author

Pending U.S. Copyright Applications for Registration

Title	Author	Class	Date Filed

Non-U.S. Copyright Registrations

[List in alphabetical order by country/numerical order by Registration No. within each country.]

Country	Title	Reg. No.	Author

Non-U.S. Pending Copyright Applications for Registration

[List in alphabetical order by country.]

Country	Title	Author	Class	Date Filed

MATERIAL LICENSES

[Make a separate page of Schedule III for each Grantor, and state if any Grantor is not a party to a license/sublicense.]

I. Material Licenses/Sublicenses of [Name of Grantor] as Licensor/Sublicensor on Date Hereof

A. Copyrights

[List U.S. copyrights in numerical order by Registration No. List non-U.S. copyrights by country in alphabetical order with Registration Nos. within each country in numerical order.]

U.S. Copyrights

Licensee Name and Address	Date of License/ Sublicense	Title of U.S. Copyright	Author	Reg. No.

Non-U.S. Copyrights

Country	Licensee Name and Address	Date of License/ Sublicense	Title of Non-U.S. Copyrights	Author	Reg. No.

B. Patents

[List U.S. patent Nos. and U.S. patent application Nos. in numerical order. List non-U.S. patent Nos. and non-U.S. application in alphabetical order by country, with numbers within each country in numerical order.]

U.S. Patents

Licensee Name and Address	Date of License/ Sublicense	Issue Date	Patent No.

U.S. Patent Applications

Licensee Name and Address	Date of License/ Sublicense	Date Filed	Application No.

Non-U.S. Patents

Country	Licensee Name and Address	Date of License/ Sublicense	Issue Date	Non-U.S. Patent No.

Non-U.S. Patent Applications

Country	Licensee Name and Address	Date of License/ Sublicense	Date Filed	Application No.

C. Trademarks

[List U.S. trademark Nos. and U.S. trademark application Nos. in numerical order. List non-U.S. trademark Nos. and non-U.S. application Nos. with trademark Nos. within each country in numerical order.]

U.S. Trademarks

Licensee Name and Address	Date of License/ Sublicense	U.S. Mark	Reg. Date	Reg. No.

U.S. Trademark Applications

Licensee Name and Address	Date of License/ Sublicense	U.S. Mark	Date Filed	Application No.

Non-U.S. Trademarks

Country	Licensee Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Reg. Date	Reg. No.

Non-U.S. Trademark Applications

Country	Licensee Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Date Filed	Application No.

D. Others

Licensee Name and Address	Date of License/ Sublicense	Subject Matter

II. Material Licenses/Sublicenses of [Name of Grantor] as Licensee/Sublicensee on Date Hereof

A. Copyrights

[List U.S. copyrights in numerical order by Registration No. List non-U.S. copyrights by country in alphabetical order, with Registration Nos. within each country in numerical order.]

U.S. Copyrights

Licensor Name and Address	Date of License/ Sublicense	Title of U.S. Copyright	Author	Reg. No.

Non-U.S. Copyrights

Country	Licensor Name and Address	Date of License/ Sublicense	Title of Non-U.S. Copyrights	Author	Reg. No.

B. Patents

[List U.S. patent Nos. and U.S. patent application Nos. in numerical order. List non-U.S. patent Nos. and non-U.S. application Nos. in alphabetical order by country with patent Nos. within each country in numerical order.]

U.S. Patents

Licensor Name and Address	Date of License/ Sublicense	Issue Date	Patent No.

U.S. Patent Applications

Licensor Name and Address	Date of License/ Sublicense	Date Filed	Application No.

Non-U.S. Patents

Country	Licensor Name and Address	Date of License/ Sublicense	Issue Date	Non-U.S. Patent No.

Non-U.S. Patent Applications

Country	Licensor Name and Address	Date of License/ Sublicense	Date Filed	Application No.

C. Trademarks

[List U.S. trademark Nos. and U.S. trademark application Nos. in numerical order. List non-U.S. trademark Nos. and non-U.S. application Nos. with trademark Nos. within each country in numerical order.]

U.S. Trademarks

Licensor Name and Address	Date of License/ Sublicense	U.S. Mark	Reg. Date	Reg. No.

U.S. Trademark Applications

Licensor Name and Address	Date of License/ Sublicense	U.S. Mark	Date Filed	Application No.

Non-U.S. Trademarks

Country	Licensor Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Reg. Date	Reg. No.

Non-U.S. Trademark Applications

Country	Licensor Name and Address	Date of License/ Sublicense	Non-U.S. Mark	Date Filed	Application No.

D. Others

Licensor Name and Address	Date of License/ Sublicense	Subject Matter

PATENTS OWNED BY [NAME OF GRANTOR]

[Make a separate page of Schedule III for each Grantor and state if no patents are owned. List in numerical order by Patent No./Patent Application No.]

U.S. Patents

Patent No.	Issue Date

U.S. Patent Applications

Patent Application No.	Filing Date

Non-U.S. Patents

[List non-U.S. patents and non-U.S. patent applications by country in alphabetical order, with patent Nos. and patent application Nos. within each country in numerical order.]

Country	Issue Date	Patent No.

Non-U.S. Patent Applications

Country	Filing Date	Patent Application No.

TRADEMARK/TRADE NAMES OWNED BY [NAME OF GRANTOR]

[Make a separate page of Schedule III for each Grantor and state if no trademarks/trade names are owned. List in numerical order by trademark Registration/application No.]

U.S. Trademark Registrations

Mark	Reg. Date	Reg. No.

U.S. Trademark Applications

Mark	Filing Date	Application No.

State Trademark Registrations

[List in alphabetical order by state/numerical order by trademark No. within each state.]

State	Mark	Reg. Date	Reg. No.

Non-U.S. Trademark Registrations

[List non-U.S. trademarks and non-U.S. trademark applications by country in alphabetical order, with Registration Nos. and application Nos. within each country in numerical order.]

Country	Mark	Reg. Date	Reg. No.

Non-U.S. Trademark Applications

Country	Mark	Application Date	Application No.

Trade Names

Country(s) Where Used	Trade Names

Schedule IV to the Guarantee and
Collateral Agreement

COMMERCIAL TORT CLAIMS

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Exhibit A to the Guarantee and Collateral Agreement

SUPPLEMENT NO. [•] (this "***Supplement***") dated as of [•] to the Guarantee and Collateral Agreement dated as of [ ], 2013 (the "***Guarantee and Collateral Agreement***"), among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware company ("***Holdings***"), each Subsidiary of the Borrower from time to time party thereto (each such Subsidiary individually a "***Subsidiary Guarantor***" and collectively, the "***Subsidiary Guarantors***"; the Subsidiary Guarantors, the Borrower and Holdings are referred to collectively herein as the "***Grantors***") and OBSIDIAN AGENCY SERVICES, INC. (together with its affiliates, "***Obsidian***"), as collateral agent (in such capacity, the "***Collateral Agent***") for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of [ ], 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among the Borrower, Holdings, the lenders from time to time party thereto (the "***Lenders***") and Obsidian, as administrative agent for the Lenders and as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Guarantee and Collateral Agreement referred to therein, as applicable.

C. The Grantors have entered into the Guarantee and Collateral Agreement in order to induce the Lenders to make Loans. Section 7.16 of the Guarantee and Collateral Agreement provides that additional Subsidiaries of the Borrower may become Subsidiary Guarantors and Grantors under the Guarantee and Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "***New Subsidiary***") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Guarantor and a Grantor under the Guarantee and Collateral Agreement in order to induce the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 7.16 of the Guarantee and Collateral Agreement, the New Subsidiary by its signature below becomes a Grantor and Subsidiary Guarantor under the Guarantee and Collateral Agreement with the same force and effect as if originally named therein as a Grantor and Subsidiary Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Guarantee and Collateral Agreement applicable to it as a Grantor and Subsidiary Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Subsidiary Guarantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Secured Obligations (as defined in the Guarantee and Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Guarantee and Collateral Agreement) of the New Subsidiary. Each reference to a "Grantor" or a "Subsidiary Guarantor" in the Guarantee and Collateral Agreement shall be deemed to include the New Subsidiary. The Guarantee and Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of (i) any and all Equity Interests and Pledged Debt Securities now owned by the New Subsidiary and (ii) any and all Intellectual Property now owned by the New Subsidiary and (b) set forth under its signature hereto, is the true and correct legal name of the New Subsidiary and its jurisdiction of organization.

SECTION 5. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guarantee and Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Guarantee and Collateral Agreement) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to the New Subsidiary shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable and documented out-of-pocket expenses in connection with this Supplement, including the reasonable and documented out-of-pocket fees, other charges and disbursements of counsel for the Collateral Agent, in each case, in accordance with Section 9.05 of the Credit Agreement.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Guarantee and Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY]

By: _____

Name:
Title:
Address:
Legal Name:
Jurisdiction of Formation:

OBSIDIAN AGENCY SERVICES, INC., as Collateral Agent

By: _____

Name:
Title:

Schedule I to
Supplement No. [•] to the
Guarantee and
Collateral Agreement

Collateral of the New Subsidiary

EQUITY INTERESTS

Issuer	Number of Certificate	Registered Owner	Number and Class of Equity Interest	Percentage of Equity Interests

PLEDGED DEBT SECURITIES

Issuer	Principal Amount	Date of Note	Maturity Date

INTELLECTUAL PROPERTY

[Follow format of Schedule III to the
Guarantee and Collateral Agreement.]

FORM OF PERFECTION CERTIFICATE

[Provided separately]

Exhibit C to the
Guarantee and
Collateral Agreement

[Form of]

Copyright Security Agreement

Copyright Security Agreement, dated as of [ ], by [ ] and [ ] (individually, a "Grantor", and, collectively, the "Grantors"), in favor of **[NAME OF COLLATERAL AGENT]**, **[ADDRESS OF COLLATERAL AGENT]**, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Collateral Agent").

W I T N E S S E T H:

WHEREAS, the Grantors are party to a Guarantee and Collateral Agreement, dated as of **[DATE OF AGREEMENT]** (as amended, amended and restated, supplemented or otherwise modified from time to time, the "GCA"), in favor of the Collateral Agent pursuant to which the Grantors are required to execute and deliver this Copyright Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement, the Grantors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the GCA and used herein have the meaning given to them in the GCA.

SECTION 2. Grant of Security Interest in Copyright Collateral. Each Grantor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in and mortgage on all of its right, title and interest in, to and under all the following Collateral of such Grantor:

A. all Copyrights and Copyright Licenses of such Grantor listed on Schedule I attached hereto; and

B. all Proceeds of any and all of the foregoing; and

C. all rights to sue for past, present or future infringements thereof.

Notwithstanding anything to the contrary contained in clauses A, B and C above, the security interest created by this Copyright Security Agreement shall not extend to any Collateral excluded from the GCA.

SECTION 3. Guarantee and Collateral Agreement. The security interest granted pursuant to this Copyright Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the GCA and the Grantors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Copyrights and Copyright Licenses made and granted hereby are more fully set forth in the GCA, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Copyright Security Agreement is deemed to conflict with the GCA, the provisions of the GCA shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the payment in full of the Secured Obligations and termination of the GCA, the Collateral Agent shall execute, acknowledge, and deliver to the Grantors an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Copyrights and Copyright Licenses under this Copyright Security Agreement.

SECTION 5. Counterparts. This Copyright Security Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Copyright Security Agreement by signing and delivering one or more counterparts.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Copyright Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTORS]

By: _____
Name:
Title:

Accepted and Agreed:

[NAME OF COLLATERAL AGENT],
as Collateral Agent

By: _____
Name:
Title:

Exhibit D to the
Guarantee and
Collateral Agreement

SCHEDULE I
to
COPYRIGHT SECURITY AGREEMENT
COPYRIGHT REGISTRATIONS, COPYRIGHT APPLICATIONS
AND COPYRIGHT LICENSES

Copyright Registrations:

OWNER	REGISTRATION NUMBER	TITLE

Copyright Applications:

OWNER	TITLE

Copyright Licenses:

Exhibit D to the
Guarantee and
Collateral Agreement

[Form of]

Patent Security Agreement

Patent Security Agreement, dated as of [ ], by [ ] and [ ] (individually, a "Grantor", and, collectively, the "Grantors"), in favor of **[NAME OF COLLATERAL AGENT]**, **[ADDRESS OF COLLATERAL AGENT]**, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Collateral Agent").

W I T N E S S E T H:

WHEREAS, the Grantors are party to a Guarantee and Collateral Agreement, dated as of **[DATE OF AGREEMENT]** (as amended, amended and restated, supplemented or otherwise modified from time to time, the "GCA"), in favor of the Collateral Agent pursuant to which the Grantors are required to execute and deliver this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement, the Grantors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the GCA and used herein have the meaning given to them in the GCA.

SECTION 2. Grant of Security Interest in Patent and Patent License Collateral. Each Grantor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in and mortgage on all of its right, title and interest in, to and under all the following Collateral of such Grantor:

A. all Patents and Patent Licenses of such Grantor listed on Schedule I attached hereto;

B. all Proceeds of any and all of the foregoing; and

C. all rights to sue for past, present or future infringements thereof.

Notwithstanding anything to the contrary contained in clauses A, B and C above, the security interest created by this Patent Security Agreement shall not extend to any Collateral excluded from the GCA.

SECTION 3. Guarantee and Collateral Agreement. The security interest granted pursuant to this Patent Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the GCA and the Grantors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Patents and Patent Licenses made and granted hereby are more fully set forth in the GCA, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Patent Security Agreement is deemed to conflict with the GCA, the provisions of the GCA shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the payment in full of the Secured Obligations and termination of the GCA, the Collateral Agent shall execute, acknowledge, and deliver to the Grantors an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Patents and Patent Licenses under this Patent Security Agreement.

SECTION 5. Counterparts. This Patent Security Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Patent Security Agreement by signing and delivering one or more counterparts.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTORS]

By: _____
Name:
Title:

Accepted and Agreed:

[NAME OF COLLATERAL AGENT],
as Collateral Agent

By: _____
Name:
Title:

Exhibit D to the
Guarantee and
Collateral Agreement

SCHEDULE I
to
PATENT SECURITY AGREEMENT
PATENT REGISTRATIONS , PATENT APPLICATIONS AND PATENT LICENSES

Patent Registrations:

OWNER	REGISTRATION NUMBER	NAME

Patent Applications:

OWNER	APPLICATION NUMBER	NAME

Patent Licenses:

Exhibit E to the
Guarantee and
Collateral Agreement

[Form of]

Trademark Security Agreement

Trademark Security Agreement, dated as of [ ], by [ ] and [ ] (individually, a "Grantor", and, collectively, the "Grantors"), in favor of **[NAME OF COLLATERAL AGENT]**, **[ADDRESS OF COLLATERAL AGENT]**, in its capacity as collateral agent pursuant to the Credit Agreement (in such capacity, the "Collateral Agent").

W I T N E S S E T H:

WHEREAS, the Grantors are party to a Guarantee and Collateral Agreement, dated as of **[DATE OF AGREEMENT]** (as amended, amended and restated, supplemented or otherwise modified from time to time, the "GCA"), in favor of the Collateral Agent pursuant to which the Grantors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, for the benefit of the Secured Parties, to enter into the Credit Agreement, the Grantors hereby agree with the Collateral Agent as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms defined in the GCA and used herein have the meaning given to them in the GCA.

SECTION 2. Grant of Security Interest in Trademark Collateral. Each Grantor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties a lien on and security interest in and mortgage on all of its right, title and interest in, to and under all the following Collateral of such Grantor:

A. all Trademarks and Trademark Licenses of such Grantor listed on Schedule I attached hereto;

B. all goodwill associated with such Trademarks and Trademark Licenses;

C. all Proceeds of any and all of the foregoing; and

D. all rights to sue for past, present or future infringements thereof.

Notwithstanding anything to the contrary contained in clauses A, B, C and D above, the security interest created by this Trademark Security Agreement shall not extend to any Collateral excluded from the GCA.

SECTION 3. Guarantee and Collateral Agreement. The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent pursuant to the GCA and the Grantors hereby acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Trademarks and Trademark Licenses made and granted hereby are more fully set forth in the GCA, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Trademark Security Agreement is deemed to conflict with the GCA, the provisions of the GCA shall control unless the Collateral Agent shall otherwise determine.

SECTION 4. Termination. Upon the payment in full of the Secured Obligations and termination of the GCA, the Collateral Agent shall execute, acknowledge, and deliver to the Grantors an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Trademarks and Trademark Licenses under this Trademark Security Agreement.

SECTION 5. Counterparts. This Trademark Security Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Trademark Security Agreement by signing and delivering one or more counterparts.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

[GRANTORS]

By: _____
Name:
Title:

Accepted and Agreed:

[NAME OF COLLATERAL AGENT],
as Collateral Agent

By: _____
Name:
Title:

Exhibit E to the
Guarantee and
Collateral Agreement

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT
TRADEMARK REGISTRATIONS, TRADEMARK APPLICATIONS AND TRADEMARK LICENSES

Trademark Registrations:

OWNER	REGISTRATION NUMBER	TRADEMARK

Trademark Applications:

OWNER	APPLICATION NUMBER	TRADEMARK

Trademark Licenses:

EXHIBIT F

Capitalization Table

[See attached]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Holder	Outstanding Capital Stock of the Company (on a fully diluted basis) Immediately Prior to the Closing	Immediately Following the Closing
Silver Lake Sumeru Fund, L.P.	[***]	[***]
Silver Lake Technology Investors Sumeru, L.P.	[***]	[***]
Iconiq Strategic Partners, L.P.	[***]	[***]
Iconiq Strategic Partners Co-Invest, L.P., BL Series	[***]	[***]
Randolph Street Investment Partners, L.P. - 2013 DIF	[***]	[***]
Actuate Management, L.L.C.	[***]	[***]
Therese Tucker	[***]	[***]
Isaac Tucker 2012 Irrevocable Gift Trust	[***]	[***]
Roseanna Tucker 2012 Irrevocable Gift Trust	[***]	[***]
Mario Spanicciati	[***]	[***]
Spanicciati Family 2013 Irrevocable Trust	[***]	[***]
The Thomas & Janet Unterman Living Trust	[***]	[***]
Charlie Reyerson-Gaulke	[***]	[***]
Jeff Adler	[***]	[***]
David Adler	[***]	[***]
Heather Vertin	[***]	[***]
Deborah Doneen	[***]	[***]
Charles Best	[***]	[***]
Dominick DiPaolo	[***]	[***]
Justin Byers	[***]	[***]
Howard Goldstein	[***]	[***]
Michael Rauch	[***]	[***]
Special Value Continuation Partners, L.P.	—	[***]
Tennenbaum Opportunities Fund VI, LLC	—	[***]
Tennenbaum Senior Loan Fund II, LP	—	[***]
Tennenbaum Senior Loan SPV III, LLC	—	[***]
Tennenbaum Senior Loan Fund IV-B, LP	—	[***]
Total	**[***]**	**[***]**

EXHIBIT G

FORM OF SOLVENCY CERTIFICATE
of
SLS BREEZE INTERMEDIATE HOLDINGS, INC.
AND ITS SUBSIDIARIES

This Solvency Certificate is being executed and delivered on the date hereof pursuant to Section 4.01(g) of that certain Credit Agreement, dated as of September , 2013 (the "***Credit Agreement***"), among BLACKLINE SYSTEMS, INC., a California corporation, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation ("***Holdings***"), the lenders from time to time party thereto (the "***Lenders***") and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the lenders.

The undersigned hereby certifies, solely in his capacity as Chief Financial Officer of Holdings, as follows:

As of the date hereof, immediately after giving effect to the consummation of the Transactions, including the making of the Loans under the Credit Agreement and the Revolving Loans under the Revolving Loan Agreement on the date hereof, and immediately after giving effect to the application of the proceeds of the Loans and the Revolving Loans used on the Closing Date:

a. The fair value of the assets (on a going concern basis) of Holdings and its Subsidiaries on a consolidated basis, at a fair valuation, exceeds their debts and liabilities, subordinated or otherwise;

b. The present fair saleable value of the property (on a going concern basis) of Holdings and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

c. Holdings and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and

d. Holdings and its Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

For purposes of this Solvency Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

[Signature Page Follows]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate in such undersigned's capacity as the Chief Financial Officer of Holdings and its Subsidiaries, on behalf of Holdings and its Subsidiaries, and not individually, as of the date first stated above.

SLS BREEZE INTERMEDIATE HOLDINGS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO SOLVENCY CERTIFICATE]

EXHIBIT H

SLS Breeze Holdings, Inc.

FORM OF WARRANT PURCHASE AGREEMENT

dated as of [•]

by and among

SLS Breeze Holdings, Inc.

and

Each of the Investors
Listed on Exhibit A

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

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WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT is made as of September 25, 2013 (this "**Agreement**") by and among SLS Breeze Holdings, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Exhibit A hereto (together with their successor and assigns, the "**Investors**").

RECITALS

WHEREAS, the Company has authorized the sale and issuance to the Investors warrants to purchase an aggregate of 2.5 million shares of Common Stock substantially in the form attached hereto as Exhibit D (the "**Warrants**") to induce the Lenders to enter into the Credit Agreement and make the Loans;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.1 Definitions.

(a) The following terms, when used in this Agreement, have the following meanings, unless the context otherwise indicates:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with such Person.

"Agreements" means this Agreement, the Warrants, the Stockholders Agreement, the Registration Rights Agreement and all agreements and instruments contemplated hereby or thereby.

"Applicable Law" means any foreign, federal, state or local statute, law, rule or regulation or any judgment, decree, order, regulation or rule of any Governmental Authority.

"Board" means the Board of Directors of the Company.

"**Bylaws**" means the bylaws of the Company, as amended.

"Capital Stock" means, with respect to any Person, all common stock, preferred stock and any other capital stock of such Person, and all shares, interests, participations and other ownership interest (however designated), of such Person, and all rights, warrants and options to purchase any of the foregoing, including each class of common stock and preferred stock of such Person if such Person is a corporation, each general and limited partnership interest of such Person if such Person is a partnership and each membership interest in a limited liability company.

"Certificate of Incorporation" shall mean the Certificate of Incorporation of the Company substantially in the form attached hereto as Exhibit B.

"Closing" means the consummation of the Company's issuance of the Warrants to the Investors and the consummation of the Investors' entry into the Credit Agreement and making the Loans.

"Closing Date" means the date on which the Closing occurs.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.01 per share.

"Credit Agreement" means the Credit Agreement, dated as of the date hereof, among Blackline Systems, Inc., SLS Breeze Intermediate Holdings, Inc., the lenders party thereto (the "**Lenders**") and Obsidian Agency Services, Inc., as the administrative agent and collateral agent.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality, regulatory body, board or commission.

"Investor" shall have the meaning set forth in the Recitals hereto.

"Loans" shall have the meaning set forth in the Credit Agreement.

"**Lien"** means any security interest, mortgage, pledge, transfer restriction, defect, claim, Lien, limitation on voting rights, encumbrance, pre-emptive or similar right, equity or adverse interest of any nature.

"Permits" means all franchises, approvals, qualifications, authorizations, consents, Permits, licenses and other similar authority.

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

"Proceeding" means any action, claim, suit or proceeding (including an investigation or partial proceeding, such as a deposition, or any appeal of any proceeding).

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders, and substantially in the form attached hereto as Exhibit G.

"Related Person" means, with respect to any Person (i) any Affiliate of such Person, (ii) any investment fund, investment account or investment Person whose investment manager, investment advisor or general partner, is such Person or any Affiliate of such Person or any member, partner, officer or employee of such Person or any Affiliate of such Person, (iii) any member or partner of any Person specified in clause (i) or (ii) above, and (iv) any officer or employee of any Person specified in clause (i), (ii) or (iii) above.

"**Securities Act**" means the Securities Act of 1933, or any similar federal statute, and the rules and regulations thereunder, all as the same shall be in effect at the time.

"Stockholders Agreement" means the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders, and substantially in the form attached hereto as Exhibit F.

"Subsidiary" means (a) a corporation more than 50% of the combined voting power of the outstanding voting stock of which is owned, directly or indirectly, by the Company, or by one or more Subsidiaries, or by the Company and one or more Subsidiaries, (b) a partnership of which the Company, or one or more other Subsidiaries, or the Company and one or more Subsidiaries, directly or indirectly, is the general partner and has the power to direct the policies, management and affairs or (c) any other Person (other than a corporation) in which the Company, or one or more Subsidiaries, or the Company and one or more Subsidiaries, directly or indirectly, has at least a majority ownership interest and power to direct the policies, management and affairs thereof.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transactions" means, the transactions contemplated by the Agreements, including the issuance, sale and delivery of the Warrants and the Warrant Shares.

"VCOC Letter" means the letter, dated as of the date hereof, from the Company to each of the Investors, and substantially in the form attached hereto as Exhibit E.

"Warrant Shares" means shares of Common Stock issued or issuable upon exercise of the Warrants.

"Warrants" shall have the meaning set forth in the Recitals hereto.

(b) Unless the context otherwise requires: (i) "or" is not exclusive, (ii) the words "including," "includes" and similar words shall be deemed to be followed by "without limitation", (iii) unless the context otherwise requires, any reference to an "Article," "Section" or "clause" refers to an Article, Section or clause, as the case may be, of this Agreement, (iv) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not any particular Article, Section, clause or other subdivision, and (v) words used herein implying any gender shall apply to both genders.

ARTICLE II

ACQUISITION TERMS

Section 2.1 Purchase and Sale. Subject to the terms of this Agreement and as a condition to the Lenders obligation to make the Loans at the Closing, the Company shall issue to each Investor a Warrant to purchase the number of shares of Common Stock set forth opposite such Investor's name in the appropriate column on Exhibit A.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Investors that all of the statements contained in this Article III are true and complete at and as of the (i) date hereof and (ii) the Closing Date.

Section 3.1 Corporate Existence. The Company is a corporation duly incorporated, validly existing and in good standing under Delaware law and has all requisite power and authority to conduct its business and own its properties as now and proposed to be conducted and owned. The Company is qualified as a foreign corporation to do business in all jurisdictions in which the nature of its properties and business requires such qualification.

Section 3.2 Power and Authority.

(a) The Company has all requisite power and authority, and has taken all required corporate and other action necessary (including stockholder approval, if necessary) to permit it to own and hold properties, to carry on its current business, to execute and deliver each of the Agreements, to issue and sell the Warrants and to issue the Warrant Shares as herein provided, and otherwise to carry out the terms of each of the Agreements. Each of the Agreements has been duly executed and delivered by the Company and (assuming the due authorization, execution and delivery hereof and thereof by the other signatories thereto) and is a valid and binding obligation of the Company, enforceable against the Company in accordance

with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (iii) to the extent the indemnification provisions contained herein and in the Registration Rights Agreement may be limited by applicable federal or state securities laws. No event has occurred and no condition exists that would constitute a violation of, or a default under, any of the Agreements.

(b) The Warrant Shares, when issued in compliance with the provisions of the Warrants, will have the rights, preferences, privileges and restrictions described in the Certificate of Incorporation; and will be free of any Liens other than restrictions on transfer under state and federal securities laws and as otherwise provided in the Agreements.

Section 3.3 Capitalization; Voting Rights.

(a) The capitalization table attached hereto as Exhibit C accurately reflects the outstanding Capital Stock of the Company (on a fully diluted basis) both immediately prior to and immediately following the Closing.

(b) All the outstanding shares of Capital Stock of the Company are duly authorized, validly issued, fully paid, nonassessable and have been issued in compliance with Applicable Law. The Warrants and Warrant Shares, upon issuance and payment therefor in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and nonassessable. The Warrant Shares have been duly and validly reserved for issuance on the exercise of the Warrants. None of the shares of the Common Stock are held in the Company's treasury. No Capital Stock of the Company is entitled to cumulative voting rights, preemptive rights, anti-dilution rights or so-called registration rights under the Securities Act, except as otherwise provided in this Agreement, the Stockholders Agreement, the Registration Rights Agreement, the Warrants or the Certificate of Incorporation or as set forth on Schedule 3.3.

Section 3.4 Legal Bar. The execution, delivery or performance of each of the Agreements will not (a) conflict with or result in a violation of the Certificate of Incorporation or Bylaws, (b) conflict with or result in a violation of any Applicable Law, (c) require any consent or authorization or filing with, or other act by or in respect of, any Governmental Authority, or (d) result in a breach of, constitute a default under or constitute an event creating rights of acceleration, termination or cancellation under any mortgage, lease, contract, franchise, instrument or other agreement to which the Company or any of its Subsidiaries is a party or by which any of them is bound.

Section 3.5 Government Approvals. No Permit from, nor any filing, declaration or registration with, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance by the Company or any of its Subsidiaries of the Agreements or the consummation of the Transactions.

Section 3.6 Private Sale. The Company has not, either directly or through any agent, offered any securities to or solicited any offers to acquire any securities from, or otherwise approached, negotiated, or communicated in respect of any securities with, any Person in such a manner as to require that the offer or sale of the Warrants or Warrant Shares be registered pursuant to the provisions of Section 5 of the Securities Act and the rules and regulations of the Commission thereunder or the securities laws of any other jurisdiction. Neither the Company nor anyone acting on its behalf will take any action prior to the Closing that would cause any such registration to be required (including any offer, issuance or sale of any security of the Company under circumstances that might require the integration of such security with the Warrants or Warrant Shares under the Securities Act or the rules and regulations of the Commission thereunder) that might subject the offering, issuance or sale of the Warrants and Warrant Shares to the registration provisions of the Securities Act. Assuming the representations and warranties of the Investors contained in Article V are true and correct, the issuance of the Warrants and Warrant Shares is exempt from registration under the Securities Act. The Company has complied with all Applicable Laws in all issuances and purchases of its Capital Stock prior to the date hereof and has not violated any Applicable Law in making such issuances and purchases of its Capital Stock prior to the date hereof. Any notices required to be filed under Applicable Laws prior to or subsequent to the Closing shall be filed on a timely basis prior to the Closing or as so required. Neither the Company nor any Person authorized or employed by the Company as agent, broker, dealer or otherwise in connection with the offering or sale of the Warrant has offered the same or any such securities for sale to, or solicited any offers to buy the same from, or otherwise approached or negotiated with respect thereto with, any Person or Persons other than the Investors.

Section 3.7 Registration Rights. Following the Closing, the Company and its Subsidiaries will not have any obligations with respect to registration rights, including piggyback rights, to any Person, except as set forth in the Registration Rights Agreement or on Schedule 3.7.

Section 3.8 Representations Incorporated by Reference. The provisions of, and related definitions used in, Article III of the Credit Agreement are incorporated herein by reference in their entirety, but with the definitions used therein being construed in accordance with the remaining provisions of this Section. All references in the provisions incorporated herein by reference to Article III of the Credit Agreement to (a) the “Loan Parties” shall be deemed to be references to the Company and its Subsidiaries, (b) “Holdings” shall be deemed to be references to the Company, (c) the “Transactions” shall be deemed to be include the transactions contemplated hereunder, (d) “the date hereof” or “the date of this Agreement” shall be deemed to be references to the date of this Agreement, (e) “hereafter” shall be deemed to be references to after the date of this Agreement and (f) “this Agreement”, “hereof” or “hereunder” shall be deemed to be references to this Agreement. All references herein to any Section of the Credit Agreement incorporated by reference herein shall be deemed to be a reference to such Section as so incorporated. The provisions of the Sections of the Credit Agreement incorporated by reference herein shall remain in effect as incorporated on the date hereof (or as amended in accordance with the terms of this Agreement) notwithstanding the termination of or any amendment to the Credit Agreement.

ARTICLE IV

COVENANTS OF THE COMPANY

Section 4.1 Indemnification. The Company shall (i) indemnify, to the maximum extent permitted by law, each Investor, Related Person of each Investor, and the directors, officers, employees, agents and representatives of each of them, from and against all actual out-of-pocket expenses, claims, losses, damages and liabilities to the extent arising out of third-party claims or actions based upon (x) the status of any of them as a security holder in the Company or (y) an Investor's exercise of its rights or performance of its obligations under any of the Agreements, or the consummation of any of the Transactions; and (ii) reimburse each such indemnified Person for all reasonable out-of-pocket legal and other expenses incurred in connection with (A) investigating, preparing or defending any such third-party claims or actions, and (B) any claim or action by such indemnified Person against the Company with respect to the Investors' rights and remedies under any of the Agreements in which such indemnified Person is the prevailing party.

Section 4.2 Further Assurances. The Company will, at its expense, promptly cure any defects in the creation and issuance of the Warrants and Warrant Shares, or in the execution and delivery of the Agreements.

Section 4.3 Covenants Incorporated by Reference. The provisions of, and related definitions used in, Sections 5.04 (Financial Statements, Reports, etc.) and 5.05 (Litigation and Other Notices) in the Credit Agreement are incorporated herein by reference in their entirety, but with the definitions used therein being construed in accordance with the remaining provisions of this Section. All references in the provisions incorporated herein by reference to Article V of the Credit Agreement to (a) the "Lenders" shall be deemed to be references to the Investors, (b) "Holdings" shall be deemed to be references to the Company, (c) the "Borrower" shall be deemed to be Blackline Systems, Inc., a California corporation and wholly-owned indirect subsidiary of the Company, (d) "the date hereof" or "the date of this Agreement" shall be deemed to be references to the date of this Agreement, (e) "hereafter" shall be deemed to be references to after the date of this Agreement and (f) "this Agreement", "hereof" or "hereunder" shall be deemed to be references to this Agreement. All references herein to any Section of the Credit Agreement incorporated by reference herein shall be deemed to be a reference to such Section as so incorporated. The provisions of the Sections of the Credit Agreement incorporated by reference herein shall remain in effect as incorporated on the date hereof (or as amended in accordance with the terms of this Agreement) notwithstanding the termination of or any amendment to the Credit Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each of the Investors severally represents and warrants to the Company, at and as of the Closing that:

Section 5.1 Power and Authority. Such Investor has full power and authority and, if not an individual Investor, has taken all required corporate (or trust or partnership, as the case may be) and other action necessary to permit it to execute and deliver the Agreements, if applicable and all other documents or instruments required by the Agreements, and to carry out the terms of the Agreements and of all such other documents or instruments. Each of the Agreements has been duly executed and delivered by such Investor and (assuming the due authorization, execution and delivery hereof and thereof by the other signatories thereto) and is a valid and binding obligation of such Investor, enforceable against such Investor in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

Section 5.2 Purchase for Investment. Such Investor is acquiring the Warrants and Warrant Shares for investment, for its own account and not with a view to distribution thereof in violation of federal securities laws of the United States, except for transfers permitted hereunder. Such Investor understands that the Warrants and Warrant Shares must be held indefinitely unless registered under the Securities Act or an exemption from such registration becomes available. Such Investor understands that the Warrants it is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances. Such Investor understands that no public market presently exists for the Warrants, and there can be no assurance that any such market will be created.

Section 5.3 Financial Matters. Such Investor represents and warrants to the Company that it understands that the acquisition of the Warrants involves substantial risk and that its financial condition and investments are such that it is in a financial position to hold the Warrants for an indefinite period of time and to bear the economic risk of, and withstand a complete loss of, such Warrants. In addition, by virtue of its expertise, the advice available to it and previous investment experience, such Investor has extensive knowledge and experience in financial and business matters, investments, securities and private placements and the capability to evaluate the merits and risks of the transactions contemplated by this Agreement. Such Investor represents that it is an "accredited investor" as that term is defined in Regulation D promulgated under the Securities Act.

ARTICLE VI

THE CLOSING AND CLOSING CONDITIONS

Section 6.1 The Closing. The purchase and sale of the Warrants shall take place at the Closing to be held at the offices of Proskauer Rose, LLP, 2049 Century Park East, Suite 3300, Los Angeles, California 90067. The Closing shall occur on September 25, 2013.

Section 6.2 Deliveries. At the Closing, (a) the Company will deliver to each Investor a Warrant to purchase the number of shares of Common Stock set forth opposite such Investor's name in the appropriate column on Exhibit A, (b) each Investor will deliver to the Company executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement, in the forms attached as Exhibit H, (c) the Company shall have delivered to the Investors a counterpart of the VCOC Letter in the form attached hereto as Exhibit E that shall have been executed and delivered by a duly authorized officer of the Company and (d) there shall be made available to each of the Investors a certificate of the Secretary or an Assistant Secretary of the Company, dated the Closing Date and certifying: (1) that attached thereto is a true and complete copy of the Bylaws as in effect on the date of such certification; (2) that attached thereto is a true and complete copy of the Certificate of Incorporation as in effect on the date of such certification; and (3) that attached thereto is a true and complete copy of resolutions adopted by the Board authorizing the execution, delivery and performance of the Agreements, the issuance, sale, and delivery of the Warrants, and that all such resolutions are still in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Expenses.

(a) The Company shall pay all reasonable out-of-pocket costs and expenses incurred by the Investors and their counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof (whether or not the transactions hereby contemplated shall be consummated) or (ii) any dispute or Proceeding in respect to the enforcement of the Investors' rights under any of the Agreements in which the Investors are the prevailing party.

(b) The provisions of this Section 7.1 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the invalidity or unenforceability of any term or provision of this Agreement, or any investigation made by or on behalf of the Investors. All amounts due under this Section 7.1 shall be payable on written demand therefor.

Section 7.2 Severability. In the event any one or more of the provisions contained in this Agreement be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 7.3 Notices. Notices and other communications provided for herein shall be in writing and shall be delivered in the manner set forth in the Warrants.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date 5 Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 7.3 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 7.3. As agreed to among the Company and the Investors from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

Section 7.4 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 7.5 Survival of Agreement. All covenants, agreements, representations and warranties made by the Company herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Investors and shall survive the execution and delivery of this Agreement and the Closing, regardless of any investigation made by the Investors or on their behalf.

Section 7.6 Cumulative Remedies. The rights and remedies provided in this Agreement are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

Section 7.7 Enforcement of Agreement. Each party hereby acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

Section 7.8 Entire Agreement. This Agreement, together with the exhibits hereto, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

Section 7.9 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than of the State of New York.

Section 7.10 Submission to Jurisdiction; Consents to Service of Process.

(a) Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby shall be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each party irrevocably consents to service of process in the manner provided for notices in Section 7.3. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 7.11 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 7.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 7.13 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

Section 7.14 Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Investors, and any attempted assignment without such consent shall be null and void.

Section 7.15 No Strict Construction. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 7.16 Replacement of Warrant on Loss. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of a Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of an Investor shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Investor, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if a Warrant in identifiable form is surrendered to the Company for cancellation.

Section 7.17 Stockholders Agreement. Notwithstanding anything therein to the contrary, each Investor shall be deemed to be an “Eligible Stockholder” for purposes of the Stockholders Agreement, and shall be entitled to, without limitation, all rights specifically provided to an “Eligible Stockholder” thereunder.

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

SLS BREEZE HOLDINGS, INC.

By: _____
Name:
Title:

INVESTORS:

SPECIAL VALUE CONTINUATION PARTNERS, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: _____
Name:
Title:

TENNENBAUM OPPORTUNITIES FUND VI, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: _____
Name:
Title:

TENNENBAUM SENIOR LOAN FUND II, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: _____
Name:
Title:

TENNENBAUM SENIOR LOAN SPV III, LLC

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: _____
Name:
Title:

TENNENBAUM SENIOR LOAN FUND IV-B, LP

By: Tennenbaum Capital Partners, LLC
Its: Investment Manager

By: _____
Name:
Title:

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

EXHIBIT A

INVESTORS

Investor	Warrant Shares
Special Value Continuation Partners, LP	[***]
Tennenbaum Opportunities Fund VI, LLC	[***]
Tennenbaum Senior Loan Fund II, LP	[***]
Tennenbaum Senior Loan SPV III, LLC	[***]
Tennenbaum Senior Loan Fund IV-B, LP	[***]
Total	**[***]**

EXHIBIT B

CERTIFICATE OF INCORPORATION

See attached.

EXHIBIT C

CAPITALIZATION TABLE

See attached.

EXHIBIT D

FORM OF WARRANT

See attached.

EXHIBIT E

FORM OF VCOC LETTER

See attached.

EXHIBIT F

FORM OF STOCKHOLDERS AGREEMENT

See attached.

EXHIBIT G

FORM OF REGISTRATION RIGHTS AGREEMENT

See attached.

EXHIBIT H

FORM OF JOINDERS

See attached.

EXHIBIT I

Form of Warrant

[See attached]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

WARRANT
SLS BREEZE HOLDINGS, INC.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ASSIGNED UNLESS (I) A REGISTRATION STATEMENT COVERING SUCH SHARES IS EFFECTIVE UNDER THE ACT AND IS QUALIFIED UNDER APPLICABLE STATE AND FOREIGN LAW OR (II) THE TRANSACTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS UNDER THE ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE AND FOREIGN LAW. THIS WARRANT IS SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS SET FORTH HEREIN, AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO CERTAIN TRANSFER AND OTHER RESTRICTIONS PURSUANT TO A STOCKHOLDERS AGREEMENT, DATED AS OF SEPTEMBER 3, 2013, AMONG THE ISSUER HEREOF (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS (AS AMENDED AND MODIFIED FROM TIME TO TIME). THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT EXCEPT IN ACCORDANCE WITH THIS WARRANT AND SUCH AGREEMENT, A COPY OF WHICH SHALL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

Warrant Certificate No.: [•]

Original Issue Date: [•], 2013

FOR VALUE RECEIVED, **SLS Breeze Holdings, Inc.**, a Delaware corporation (the "**Company**"), hereby certifies that **[Warrantholder]**, a **[juisdiction and type of entity]**, or its registered assigns (the "**Holder**") is entitled to purchase from the Company [•] duly authorized, validly issued, fully paid and nonassessable shares of Common Stock at a purchase price per share initially of $1.00 (subject to adjustment as provided herein, the "**Exercise Price**"), all subject to the terms, conditions and adjustments set forth below in this Warrant.

This Warrant has been issued pursuant to the terms of the Warrant Purchase Agreement, dated as of [•], 2013 (the "**Purchase Agreement**"), between the Company and the investors listed on Exhibit A thereto.

1. **Definitions**. As used in this Warrant, the following terms have the respective meanings set forth below:

"**Affiliate**" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"**Aggregate Exercise Price**" means, on any Exercise Date, an amount equal to the product of (a) the number of Warrant Shares in respect of which this Warrant is then being exercised pursuant to **Section 3** hereof, multiplied by (b) the Exercise Price in effect as of the Exercise Date.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company, and any capital stock into which such Common Stock shall have been converted, exchanged or reclassified following the date hereof.

"**Common Stock Deemed Outstanding**" means, at any time, the sum of (a) the number of shares of Common Stock actually outstanding at such time, plus (b) the number of shares of Common Stock issuable upon exercise, conversion or exchange of Convertible Securities actually outstanding at such time (treating as actually outstanding any Convertible Securities issuable upon exercise of Convertible Securities actually outstanding at such time), in each case, regardless of whether the Convertible Securities are actually exercisable, convertible or exchangeable at such time; provided, that Common Stock Deemed Outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its subsidiaries.

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

"**Convertible Securities**" means warrants, rights, options, evidence of indebtedness, shares of stock or other securities that are convertible into or exercisable or exchangeable for, with or without payment of additional consideration, shares of Common Stock or other Convertible Securities, either immediately or upon the arrival of a specified date or the happening of a specified event; provided, that options granted to directors, officers, employees, or consultants of the Company in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, in each case authorized by the Board, shall not constitute Convertible Securities.

"**Excluded Issuances**" means any issuance or sale by the Company after the Original Issue Date of: (a) shares of Common Stock issued upon the exercise of this Warrant; or (b) shares of Common Stock issued directly or upon the exercise of options to directors, officers, employees, or consultants of the Company in each case (i) in connection with their service as directors of the Company, their employment by the Company or their retention as consultants by the Company, and (ii) authorized by the Board.

"**Exercise Date**" means, for any given exercise of this Warrant, the date on which the conditions to such exercise set forth in **Section 3** shall have been satisfied at or prior to 5:00 p.m., Los Angeles time.

"**Exercise Agreement**" means an Exercise Agreement in the form attached hereto as **Exhibit A**.

"**Exercise Period**" means the period from the Original Issue Date through and including the earlier of (x) 5:00 p.m., Los Angeles time, on the tenth anniversary of Original Issue Date or, if such day is not a Business Day, on the next preceding Business Day or (y) the consummation of a Sale of the Company.

"**Exercise Price**" has the meaning set forth in the preamble.

"**Fair Market Value**" means, as of any date: (a) the volume weighted average of the closing sales prices of the Common Stock for such day on all domestic securities exchanges on which the Common Stock is then listed; (b) if there have been no sales of the Common Stock on any such exchange on any such day, the average of the highest bid and lowest asked prices for the Common Stock on all such exchanges at the end of such day; (c) if on any such day the Common Stock is not listed on a domestic securities exchange, the closing sales price of the Common Stock as quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association for such day; or (d) if there have been no sales of the Common Stock on NASDAQ, the OTC Bulletin Board or similar quotation system or association on such day, the average of the highest bid and lowest asked prices for the Common Stock quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association at the end of such day; in each case, averaged over twenty (20) consecutive Business Days ending on the Business Day immediately prior to the day as of which "Fair Market Value" is being determined; provided, that if the Common Stock is listed on any domestic securities exchange, the term "Business Day" as used in this sentence means Business Days on which such exchange is open for trading. If at any time the Common Stock is not listed on any domestic securities exchange or quoted on NASDAQ, the OTC Bulletin Board or similar quotation system or association, the "Fair Market Value" of the Common Stock shall be the fair market value per share as determined jointly in good faith by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, the Fair Market Value shall be determined in good

faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

"**Holder**" has the meaning set forth in the preamble.

"**Original Issue Date**" means the date on which the Warrant was issued by the Company pursuant to the Purchase Agreement.

"**NASDAQ**" means The NASDAQ Stock Market LLC.

"**OTC Bulletin Board**" means the Financial Industry Regulatory Authority OTC Bulletin Board electronic inter-quotation system.

"**Permitted Transferee**" means, as to any Holder, such Holder's Affiliates, which shall include any entity, parallel fund or alternative investment vehicle managed by such Holder or any of its Affiliates.

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, corporation, joint venture, trust, incorporated organization or government or department or agency thereof.

"**Purchase Agreement**" has the meaning set forth in the preamble.

"**Registration Rights Agreement**" means the Registration Rights Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as amended from time to time in accordance with its terms).

"**Reorganization**" means any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by **Section 4(d)**), in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock; provided, however, that a Sale of the Company shall not constitute a Reorganization.

"**Sale of the Company**" has the meaning set forth in the Stockholders Agreement, dated as of September 3, 2013, by and among the Company and certain of its stockholders (as in effect on the date hereof).

"**Warrant**" means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

"**Warrant Shares**" means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant.

2. **Term of Warrant**. The Holder of this Warrant may exercise this Warrant for all or any part of the Warrant Shares on any day during the Exercise Period. Subject to **Section 3(i)** below, this Warrant shall expire and be of no further force and effect upon the expiration of the Exercise Period.

3. **Exercise of Warrant**.

(a) **Exercise Procedure**. During the Exercise Period, this Warrant may be exercised by the Holder for all or from time to time any part of the unexercised Warrant Shares, upon:

(i) surrender of this Warrant to the Company at its then principal executive offices (or an indemnification undertaking with respect to this Warrant in the case of its loss, theft or destruction), together with a completed and executed Exercise Agreement; and

(ii) payment to the Company of the Aggregate Exercise Price in accordance with **Section 3(b)**.

(b) **Payment of the Aggregate Exercise Price**. Payment of the Aggregate Exercise Price may be made, at the option of the Holder as expressed in the Exercise Agreement, by any of the following methods:

(i) delivery to the Company of a certified or official bank check payable to the order of the Company or by wire transfer of immediately available funds to an account designated in writing by the Company;

(ii) instructing the Company to withhold a number of Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the Exercise Date equal to such Aggregate Exercise Price (or the applicable portion thereof);

(iii) surrendering to the Company securities of the Company having a value as of the Exercise Date equal to the Aggregate Exercise Price (or the applicable portion thereof), which value in the case of debt securities shall be the principal amount thereof plus accrued and unpaid interest, in the case of preferred stock shall be the liquidation value thereof plus accumulated and unpaid dividends and in the case of shares of Common Stock shall be the Fair Market Value thereof; or

(iv) any combination of the foregoing.

In the event of any withholding of Warrant Shares or surrender of other equity securities pursuant to clause (ii), (iii) or (iv) above where the number of shares whose value is equal to the Aggregate Exercise Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company

shall make a cash payment to the Holder (by delivery of a certified or official bank check or by wire transfer of immediately available funds) based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount equal to the product of (x) such incremental fraction of a share being so withheld or surrendered multiplied by (y) the value thereof as of the Exercise Date determined in accordance with clause (iii) above.

(c) **Delivery of Stock Certificates**. As promptly as practicable, and in any event within five Business Days after receipt by the Company of the Exercise Agreement, surrender of this Warrant and payment of the Aggregate Exercise Price (in accordance with **Section 3(a)** hereof), the Company shall execute (or cause to be executed) and deliver (or cause to be delivered) to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share, as provided in **Section 3(d)** hereof. The stock certificate or certificates so delivered shall be in such denomination or denominations as the exercising Holder shall reasonably request in the Exercise Agreement and registered in the name of the Holder or such other Person's name as shall be designated in the Exercise Agreement. This Warrant shall be deemed to have been exercised and such certificate or certificates of Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Warrant Shares for all purposes, as of the Exercise Date.

(d) **Fractional Shares**. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (i) such fraction multiplied by (ii) the Fair Market Value of one share of Common Stock on the Exercise Date.

(e) **Delivery of New Warrant**. Unless the purchase rights represented by this Warrant shall have expired or shall have been fully exercised, at the time of delivery of the certificate or certificates representing the Warrant Shares being issued in accordance with **Section 3(c)** hereof, the Company shall deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unexpired and unexercised Warrant Shares called for by this Warrant. Such new Warrant shall in all other respects be identical to this Warrant.

(f) **Expenses and Taxes**. The Company shall pay all reasonable out-of-pocket expenses in connection with, and all issuance, stamp and similar taxes and other governmental charges that may be imposed with respect to, the issuance or delivery of Warrant Shares upon exercise of this Warrant; provided, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to (i) the issuance or delivery of the Warrant Shares to any Person other than the Holder, or (ii) the sale or transfer of the Warrants or the Warrant Shares.

(g) **Conditional Exercise**. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is required to be made in connection with a public offering, a Sale of the Company (pursuant to a merger, sale of stock, or otherwise), or any other event, such exercise may at the election of the Holder be conditioned upon the consummation of such transaction or event, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such event.

(h) **Reservation of Shares**. During the Exercise Period, the Company shall at all times reserve and keep available out of its authorized but unissued Common Stock or other securities constituting Warrant Shares, solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of Warrant Shares issuable upon the exercise of this Warrant. The Company shall not increase the par value of any Warrant Shares receivable upon the exercise of this Warrant above the Exercise Price then in effect, and shall take all such actions as may be necessary or appropriate so that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(i) **Exercise Prior to Expiration**. Notwithstanding any other provision of this Warrant and to the extent this Warrant is not previously exercised as to all Warrant Shares subject hereto, if the Fair Market Value of Warrant Shares is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised by the method set forth in **Section 3(b)(ii)** above immediately before its expiration. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this **Section 3(i)**, the Company shall promptly notify the Holder of the number of Warrant Shares the Holder is to receive by reason of such automatic exercise.

(j) **Tax Treatment**. If the Holder elects (or is automatically deemed to elect pursuant to **Section 3(i)**) the method of exercise set forth in **Section 3(b)(ii)**, the "exchange" of the Warrants is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the U.S. Internal Revenue Code of 1986, as amended, and the parties hereto shall report consistently therewith for all tax purposes.

4. **Adjustment to Exercise Price and Number of Warrant Shares**. The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as provided in this **Section 4**.

(a) **Adjustment to Exercise Price Upon Issuance of Common Stock**. Except in the case of an Excluded Issuance or an event described in either **Section 4(d)** or **Section 4(e)**, if the Company shall, at any time or from time to time after the Original Issue Date, issue or sell (or in accordance with **Section 4(c)** is deemed to have issued or sold) any shares of Common Stock without consideration or for consideration per share less than the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale), then immediately upon such issuance or sale (or deemed issuance or sale), the Exercise Price in effect immediately prior to such issuance or sale (or deemed issuance or sale) shall be reduced (and in no event increased) to an Exercise Price equal to the quotient obtained by dividing:

(i) the sum of (A) the product obtained by multiplying the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) by the Exercise Price then in effect plus (B) the aggregate consideration, if any, received by the Company upon such issuance or sale (or deemed issuance or sale); by

(ii) the sum of (A) the Common Stock Deemed Outstanding immediately prior to such issuance or sale (or deemed issuance or sale) plus (B) the aggregate number of shares of Common Stock issued or sold (or deemed issued or sold) by the Company in such issuance or sale (or deemed issuance or sale).

(b) **Adjustment to Number of Warrant Shares Upon Adjustment to Exercise Price**. Upon each adjustment of the Exercise Price as provided in **Section 4(a)**, the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment shall be increased to a number of Warrant Shares equal to the quotient obtained by dividing:

(i) the product of (A) the Exercise Price in effect immediately prior to such adjustment multiplied by (B) the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment; by

(ii) the Exercise Price resulting from such adjustment.

(c) **Effect of Certain Events on Adjustment to Exercise Price**.

(i) Issuance of Convertible Securities. If the Company shall, at any time or from time to time after the Original Issue Date, in any manner grant or sell (whether directly or by assumption in a merger or otherwise) any Convertible Securities, whether or not immediately exercisable, and the price per share (determined as provided in this paragraph and in **Section 4(c)(iii)**) for which Common Stock is issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) is less than the Exercise Price in effect immediately prior to the time of the granting or sale of such Convertible Securities, then the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof) shall be deemed to have been issued as of the date of granting or sale thereof (and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price under **Section 4(a)**), at a price per share equal to the quotient obtained by dividing:

(A) the sum (which sum shall constitute the applicable consideration received for purposes of **Section 4(a)**) of (x) the total amount, if any, actually received by the Company as consideration for the granting or sale of all such Convertible Securities, plus (y) the minimum aggregate amount of additional consideration payable to the Company upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), by

(B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof).

(ii) Change in Terms of Convertible Securities. Upon any change in any of (A) the total amount received or receivable by the Company as consideration for the granting or sale of any Convertible Securities, (B) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange of any Convertible Securities (or upon the exercise, conversion or exchange of Convertible Securities issuable upon the exercise, conversion or exchange thereof), (C) the rate at which Convertible Securities hereof are convertible into or exchangeable for Common Stock, or (D) the maximum number of shares of Common Stock issuable in connection with any Convertible Securities, then (whether or not the original issuance or sale of such Convertible Securities resulted in an adjustment to the Exercise Price pursuant to this **Section 4**) (x) the Exercise Price in effect at the time of such change shall be adjusted or readjusted, as applicable, to the Exercise Price that would have been in effect at such time pursuant to the provisions of this **Section 4** had such Convertible Securities still outstanding provided for such changed consideration, conversion rate or maximum number of shares, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment or readjustment the Exercise Price then in effect is reduced, and (y) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to any such adjustment or readjustment shall be correspondingly adjusted or readjusted pursuant to the provisions of **Section 4(b)**.

(iii) Calculation of Consideration Received. If the Company shall, at any time or from time to time after the Original Issue Date, issue or sell, or is deemed to have issued or sold, any shares of Common Stock or Convertible Securities: (A) for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor; (B) for consideration other than cash, the amount of such consideration shall be the fair value of such consideration received by the Company, except where such consideration consists of marketable securities, in which case the amount of such consideration shall be the market price (as reflected on any securities exchange, quotation system or association or similar pricing system covering such security) for such securities as of the end of business on the date of receipt of such securities by the Company; (C) for no specifically allocated consideration in connection with an issuance or sale of other securities of the Company, together comprising one integrated transaction, the amount of the consideration therefor shall be deemed to be the fair value of such portion of the aggregate consideration received by the Company in such transaction as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued in such transaction; or (D) to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving corporation, the amount of consideration

therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Convertible Securities, as the case may be, issued to such owners. The net amount of any cash consideration and the fair value of any consideration other than cash or marketable securities shall be determined in good faith jointly by the Board and the Holder; provided, however, that if the Board and the Holder are unable to reach agreement within a reasonable period of time, such fair value shall be determined in good faith by an independent investment banking or valuation firm selected jointly by the Board and the Holder or, if that selection cannot be made within ten days, by an independent investment banking or valuation firm selected by the American Arbitration Association in accordance with its rules.

(iv) Record Date. For purposes of any adjustment to the Exercise Price or the number of Warrant Shares in accordance with this **Section 4**, in case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or Convertible Securities or (B) to subscribe for or purchase Common Stock or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(v) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company or any of its wholly-owned subsidiaries, and the disposition of any such shares (other than the cancellation or retirement thereof or the transfer of such shares among the Company and its wholly-owned subsidiaries) shall be considered an issue or sale of Common Stock.

(d) **Adjustment Upon Dividend, Subdivision or Combination of Common Stock**. If the Company shall, at any time or from time to time after the Original Issue Date, (i) pay a dividend or make any other distribution upon the Common Stock or any other capital stock of the Company payable in shares of Common Stock or Convertible Securities, or (ii) subdivide (by any stock split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, (x) the Exercise Price in effect immediately prior to any such dividend, distribution or subdivision shall be proportionately reduced and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by combination, reverse stock split or otherwise) its outstanding shares of Common Stock into a smaller number of shares, (x) the Exercise Price in effect immediately prior to such combination shall be proportionately increased and (y) the number of Warrant Shares issuable upon exercise of this Warrant shall be proportionately decreased. Subject to **Section 4(c)(iv)**, any adjustment under this **Section 4(d)** shall become effective at the close of business on the date the dividend, subdivision or combination becomes effective.

(e) **Adjustment Upon Reorganization, Reclassification, Consolidation or Merger**. In the event of any Reorganization, (A) each Warrant shall remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Warrant Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or assets of the Company or of the successor Person resulting from such transaction to which the Holder would have been entitled upon such Reorganization if the Holder had exercised this Warrant in full immediately prior to the time of such Reorganization and acquired the applicable number of Warrant Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and (B) appropriate adjustment (in form and substance satisfactory to the Holder) shall be made with respect to the Holder's rights under this Warrant to insure that the provisions of this **Section 4** shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock, securities or assets thereafter acquirable upon exercise of this Warrant (including, in the case of any consolidation, merger, sale or similar transaction in which the successor or purchasing Person is other than the Company, an immediate adjustment in the Exercise Price to the value per share for the Common Stock reflected by the terms of such consolidation, merger, sale or similar transaction, and a corresponding immediate adjustment to the number of Warrant Shares acquirable upon exercise of this Warrant without regard to any limitations or restrictions on exercise, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger, sale or similar transaction). The provisions of this **Section 4(e)** shall similarly apply to successive Reorganizations. The Company shall not effect any Reorganization unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such Reorganization shall assume, by written instrument substantially similar in form and substance to this Warrant and satisfactory to the Holder, the obligation to deliver to the Holder such shares of stock, securities or assets which, in accordance with the foregoing provisions, such Holder shall be entitled to receive upon exercise of this Warrant. Notwithstanding anything to the contrary contained herein, the Holder shall have the right to elect prior to the consummation of any Reorganization, to give effect to the exercise rights contained in **Section 2** instead of giving effect to the provisions contained in this **Section 4(e)** with respect to this Warrant.

(f) **Certain Events**. If any event of the type contemplated by the provisions of this **Section 4** but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the Board shall make an appropriate adjustment in the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant so as to protect the rights of the Holder in a manner consistent with the provisions of this **Section 4**; provided, that no such adjustment pursuant to this **Section 4(f)** shall increase the Exercise Price or decrease the number of Warrant Shares issuable as otherwise determined pursuant to this **Section 4**.

(g) **Certificate as to Adjustment**.

(i) As promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Company of a written request by the Holder, but in any event not later than five Business Days thereafter, the Company shall furnish to the Holder a certificate of an executive officer certifying the Exercise Price then in effect and the number of Warrant Shares or the amount, if any, of other shares of stock, securities or assets then issuable upon exercise of the Warrant.

(h) **Notices**. In the event:

(i) that the Company shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon exercise of the Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(ii) of any capital reorganization of the Company, any reclassification of the Common Stock of the Company, any consolidation or merger of the Company with or into another Person, or sale of all or substantially all of the Company's assets to another Person; or

(iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company;

then, and in each such case, the Company shall send or cause to be sent to the Holder at least ten days prior to the applicable record date or the applicable expected effective date, as the case may be, for the event, a written notice specifying, as the case may be, (A) the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent, or (B) the effective date on which such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up is proposed to take place, and the date, if any is to be fixed, as of which the books of the Company shall close or a record shall be taken with respect to which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Warrant and the Warrant Shares.

5. **Purchase Rights**. In addition to any adjustments pursuant to **Section 4** above, if at any time the Company grants, issues or sells any shares of Common Stock or Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of Common Stock as of immediately prior to such grant, issuance or sale (the "**Purchase Rights**"), then the Company shall provide the Holder the right to acquire, upon the terms applicable to

such Purchase Rights, the aggregate Purchase Rights that the Holder would have acquired if the Holder had held the number of Warrant Shares acquirable upon complete exercise of this Warrant immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Transfer of Warrant**. Subject to (x) the prior written consent of the Company (provided, that the Holder may transfer this Warrant without the prior consent of the Company to its Permitted Transferees) and (y) the transfer conditions referred to in the legend endorsed hereon, this Warrant and all rights hereunder are transferable, in whole or in part, by the Holder without charge to the Holder, upon surrender of this Warrant to the Company at its then principal executive offices together with (i) a properly completed and duly executed Assignment in the form attached hereto as **Exhibit B**, and (ii) duly executed counterpart signature pages to each of the Stockholders Agreement and the Registration Rights Agreement in the forms attached as **Exhibit C**. Upon such compliance, surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant, if any, not so assigned and this Warrant shall promptly be cancelled.

7. **Holder Not Deemed a Stockholder**. Except as otherwise specifically provided herein, prior to the issuance to the Holder of the Warrant Shares upon the due exercise of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares for any purpose. Nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this **Section 7**, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

8. **Replacement on Loss; Division and Combination**.

(a) **Replacement of Warrant on Loss**. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and upon delivery of an indemnity reasonably satisfactory to it (it being understood that a written indemnification agreement or affidavit of loss of the Holder shall be a sufficient indemnity) and, in case of mutilation, upon surrender of such Warrant for cancellation to the Company, the Company at its own expense shall execute and deliver to the Holder, in lieu hereof, a new Warrant of like tenor and exercisable for an equivalent number of Warrant Shares as the Warrant so lost, stolen, mutilated or destroyed; provided, that, in the case of mutilation, no indemnity shall be required if this Warrant in identifiable form is surrendered to the Company for cancellation.

(b) **Division and Combination of Warrant**. This Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants, upon the surrender of this Warrant or Warrants to the Company at its then principal executive offices, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the respective Holders or their agents or attorneys. The Company shall at its own expense execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new Warrant or Warrants shall be of like tenor to the surrendered Warrant or Warrants and shall be exercisable in the aggregate for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

9. **No Impairment**. The Company shall not, by amendment of its certificate of incorporation or bylaws, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but shall at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the Holder in order to protect the exercise rights of the Holder against dilution or other impairment, consistent with the tenor and purpose of this Warrant.

10. **Representations, Warranties and Covenants of the Company**. The Company hereby represents, covenants and agrees:

(a) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued.

(b) All Warrant Shares issuable pursuant to the terms hereof shall be, and the Company shall take all such actions as may be necessary or appropriate in order that such Warrant Shares are, upon issuance, validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights, and free and clear of all taxes, liens and charges.

(c) The Company shall, at its own expense, (i) take all such actions as may be necessary or appropriate to ensure that (A) all Warrant Shares are issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which Warrant Shares may be listed at the time of such exercise (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance), and (B) the Warrant Shares, immediately upon their issuance upon the exercise of the Warrants, will be listed on each securities exchange, if any, on which the Common Stock is then listed and (ii) obtain and keep effective any and all permits, consents and approvals of governmental agencies and authorities which may from time to time be required of the Company in order to satisfy its obligations hereunder.

(d) This Warrant is not inconsistent with the Company's certificate of incorporation or bylaws, does not contravene any law or governmental rule, regulation or order, does not and will not contravene any provision of, or constitute a default under, any agreement or other instrument to which the Company is a party or by which it is bound, and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms. The Company shall not amend its certificate of incorporation, bylaws or other organizational documents in any way (whether by merger or otherwise) that would (i) adversely affect the Warrantholder or the holders of Warrant Shares in any manner different from such amendment's effect on the class of Common Stock taken as a whole, or (ii) result in a change in the Company's organizational form.

11. **Warrant Register**. The Company shall keep and properly maintain at its principal executive offices books for the registration of the Warrant and any transfers thereof. The Company may deem and treat the Person in whose name the Warrant is registered on such register as the Holder thereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination or other transfer of the Warrant effected in accordance with the provisions of this Warrant.

12. **Participation in Corporate Distributions**. The Company shall not declare, make or pay any dividend or other distribution, whether in cash, securities (other than Common Stock or Convertible Securities) or other property, with respect to its Common Stock or any Convertible Securities unless (a) an adjustment to the Exercise Price and the number of Warrant Shares is made with respect thereto pursuant to **Section 4** above or (b) the Company concurrently makes a distribution to the Holder consisting of (i) the amount of cash, securities and property distributed with respect to each outstanding share of Common Stock (in the case of Convertible Securities, determined on an as converted basis) multiplied by (ii) the number of shares of Common Stock then issuable upon exercise of this Warrant.

13. **Miscellaneous**.

(a) **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13(a)**).

If to the Company:

SLS Breeze Holdings, Inc.
21300 Victory Blvd., 12th Floor
Woodland Hills, CA 91367
Attention: Controller
Fax No.: (818) 223-9081
Email: accounting @blackline.com

with a copy (which shall not constitute notice) to:	Silver Lake Sumeru Fund, L.P. 2775 Sand Hill Road, Suite 100 Menlo Park, CA 94025 Attention: Jason Babcoke Fax No.: (650) 234-2526 Email: Jason.Babcoke@SilverLake.com and Kirkland & Ellis LLP 555 California Street San Francisco, CA 94104 Attention: Christopher Kirkham Fax No.: (415) 439-1500 Email: christopher.kirkham@kirkland.com
If to the Holder:	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405 Attention: Asher Finci Fax No.: (310) 889-4950 Email: asher.finci@tennenbaumcapital.com
with a copy (which shall not constitute notice) to:	Proskauer Rose LLP 2049 Century Park East, Suite 3200 Los Angeles, CA 90067 Attention: Michael A. Woronoff Fax No.: (310) 557-2193 Email: mworonoff@proskauer.com

(b) **Expenses**. The Company shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees and fees, costs and expenses of accountants, advisors and consultants, incurred by the Holder and its counsel in connection with (i) any amendments, modifications or waivers of the provisions hereof, or (ii) any dispute or proceeding in respect to the enforcement of the Holder's rights under this Warrant or the Purchase Agreement in which the Holder is the prevailing party.

(c) **Cumulative Remedies**. Except to the extent expressly provided in **Section 7** to the contrary, the rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity or otherwise.

(d) **Equitable Relief**. Each of the Company and the Holder acknowledges that the rights of each party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching party will (i) be without an adequate remedy at law and (ii) suffer irreparable damage. In the event that any party violates or fails or refuses to perform any covenant or agreement made by such party herein, the non-breaching party or parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief to which such party may be entitled, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other injunctive or equitable relief, without posting any bond or other undertaking.

(e) **Entire Agreement**. This Warrant, together with the Purchase Agreement (including the exhibits thereto), constitutes the sole and entire agreement of the parties to this Warrant with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

(f) **Successor and Assigns**. Whenever in this Warrant any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties hereto that are contained in this Warrant shall bind and inure to the benefit of their respective successors and assigns. Such successors or permitted assigns of the Holder shall be deemed to be a Holder for all purposes hereunder. The Company shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Holder, and any attempted assignment without such consent shall be null and void.

(g) **Headings**. The headings in this Warrant are for reference only and shall not affect the interpretation of this Warrant.

(h) **Amendment and Modification; Waiver**. This Warrant may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by the Company or the Holder of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Warrant shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(i) **Survival**. The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

(j) **Severability**. In the event any one or more of the provisions contained in this Warrant be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(k) **Governing Law**. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of New York.

(l) **Submission to Jurisdiction**. Any legal suit, action or proceeding arising out of or based upon this Warrant or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the State of New York in each case located in New York City, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by certified or registered mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Each party irrevocably consents to service of process in the manner provided for notices in Section 13(a). Nothing herein will affect the right of any party to serve process in any other manner permitted by law.

(m) **Waiver of Jury Trial**. Each party acknowledges and agrees that any controversy that may arise under this Warrant is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Warrant or the transactions contemplated hereby.

(n) **Counterparts**. This Warrant may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Warrant delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Warrant**.**

(o) **No Strict Construction**. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the Original Issue Date.

SLS BREEZE HOLDINGS, INC.

By: _____
Name:
Title:

Accepted and agreed,

[WARRANTHOLDER]

By: _____
Name:
Title:

EXHIBIT A

EXERCISE AGREEMENT

To: _____

(1) The undersigned Holder hereby elects to purchase shares of the Common Stock of SLS Breeze Holdings, Inc. (the "**Company**"), pursuant to the terms of the Warrant dated [ ], 2013 (the "**Warrant**") between the Company and the Holder, and **[tenders herewith a certified or official bank check in the amount consistent with Section 3(b)(i) of the Warrant] [elects the method of exercise set forth in Section 3(b)(ii) of the Warrant][tenders herewith [•] pursuant to Section 3(b)(iii) of the Warrant]**.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

HOLDER: _____

By: _____

Title: _____

Date: _____

EXHIBIT B

ASSIGNMENT

(To transfer or assign the foregoing Warrant execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to

_____

("The Transferee")

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

The transfer made pursuant hereto is made without recourse to the Holder and without representation or warranty express or implied by the Holder, except that the Holder represents and warrants to the Transferee that it is the legal owner of the interest in the Warrant being assigned hereby.

EXHIBIT C

FORM OF JOINDERS

Exhibit 10.3

AMENDMENT AND WAIVER

This AMENDMENT AND WAIVER (this "***Agreement***"), dated as of September 1, 2015, among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), BLACKLINE INTERMEDIATE, INC. (formerly known as SLS BREEZE INTERMEDIATE HOLDINGS, INC.), a Delaware corporation ("***Holdings***"), the Lenders party hereto, and OBSIDIAN AGENCY SERVICES, INC., as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***"), is entered into in connection with the Credit Agreement referred to in the first recital below.

RECITALS

WHEREAS, the Borrower and Holdings are parties to that certain Credit Agreement, dated as of September 25, 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among the Borrower, Holdings, the financial institutions and other entities party to the Credit Agreement as lenders (the "***Lenders***"), the Administrative Agent and the Collateral Agent;

WHEREAS, the Borrower has requested that the Required Lenders amend certain provisions of the Credit Agreement with respect to the delivery of certain financial statements and waive any Default or Event of Default related thereto (to the extent arising or in effect prior to giving effect to this Agreement) as set forth more fully in this Agreement; and

WHEREAS, the Required Lenders have agreed to such amendments and waiver under the Credit Agreement, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises made hereunder, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Amendment to Credit Agreement.

(a) Section 5.04(a) of the Credit Agreement is hereby amended by deleting the phrase "within 120 days (or for the first fiscal year ending after the Closing Date, 150 days) after the end of each fiscal year of the Borrower" appearing therein and inserting in its place the following:

"within 120 days after the end of each fiscal year of the Borrower (or, for the fiscal year ending December 31, 2014, no later than October 31, 2015)".

(b) Section 5.04(b) of the Credit Agreement is hereby amended by deleting the phrase "within 45 days (or for the fiscal quarter ending September 30, 2013, 90 days) after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2013)" appearing therein and inserting in its place the following:

"within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or for the fiscal quarters ending March 31, 2015 and June 30, 2015, no later than October 31, 2015)".

Section 2. Waiver. In reliance upon the representations and warranties of Holdings and the Borrower set forth in Section 4 below and subject to the conditions to effectiveness set forth in Section 3 below, the Administrative Agent and the Lenders hereby waive any Default or Event of Default that has occurred and is continuing solely to the extent such Default or Event of Default is related to (a) the failure of Holdings or the Borrower to deliver (i) the financial statements and other information required under (A) Section 5.04(a) of the Credit Agreement for the fiscal year ending December 31, 2014 or (B) Section 5.04(b) of the Credit Agreement for the fiscal quarters ending March 31, 2015 and June 30, 2015 or (ii) any Compliance Certificate required under Section 5.04(c) of the Credit Agreement in connection with the items set forth in Section 2(a)(i)(A) and (B) above, (b) any non- GAAP compliance or adjustments contained in any financial statements or information previously delivered pursuant to Section 5.04(b) of the Credit Agreement for the fiscal quarters ending March 31, 2015 and June 30, 2015 or any Compliance Certificate previously delivered for such fiscal quarters, (c) the failure of Holdings or the Borrower to deliver prompt written notice to the Administrative Agent or the documents required to be filed under the UCC to the Collateral Agent, in each case, with respect to the change in Holdings' legal name (as defined in Section 9-503(a) of the UCC) on August 21, 2014 as required under Section 5.06 of the Credit Agreement or (d) the amendment and restatement of the Certificate of Incorporation of Holdings that was filed with the State of Delaware Secretary of State on August 21, 2014 to the extent it was materially adverse to the Lenders in violation of Section 6.12(b) of the Credit Agreement (collectively, the Defaults or Events of Default set forth in clauses (a), (b), (c) and (d) of this sentence of this Section 2, the "***Existing Defaults***"). This is a limited waiver and shall not be deemed to constitute a waiver of any other Default or Event of Default or any future breach of the Credit Agreement or any of the other Loan Documents or any other requirements of any provision of the Credit Agreement or any other Loan Documents.

Section 3. Conditions Precedent. This Agreement shall become effective upon satisfaction of each of the following conditions precedent; provided that Sections 7 and 10 hereof shall be effective upon the execution and delivery of this Agreement by the parties hereto:

(a) The Administrative Agent shall have received a copy of this Agreement duly executed and delivered by each of the Administrative Agent, the Collateral Agent, the Borrower, Holdings and the Required Lenders.

(b) The representations and warranties contained herein shall be true and correct in all material respects as of the date hereof.

(c) After giving effect to the amendments in Section 1 and the waiver in Section 2 hereof, no Default or Event of Default shall have occurred and be continuing as of the date hereof.

Section 4. Representations and Warranties. Each of Holdings and the Borrower hereby represents and warrants, jointly and severally, to the Administrative Agent, the Collateral Agent and the Lenders that, as of the date hereof, (a) all representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects to the same extent as though made on and as of the date hereof (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date), (b) no Default or Event of Default (other than the Existing Defaults) has occurred and is continuing, and (c) the Credit Agreement and all other Loan Documents to which the Loan Parties are a party thereto are and remain legal, valid, binding and enforceable obligations of such Loan Parties in accordance with the terms thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 5. Survival of Representations and Warranties. All representations and warranties made in this Agreement or in any other Loan Document shall survive the execution and delivery of this Agreement, and no investigation by the Administrative Agent, the Collateral Agent, any Lender or any other Person shall affect such representations or warranties, or the right of the Administrative Agent, the Collateral Agent and the Secured Parties to rely upon them.

Section 6. Reference to Agreement. Each of the Loan Documents, including the Credit Agreement, and any and all other agreements, documents or instruments now or hereafter executed and/or delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement as amended hereby, are hereby amended so that any reference in such Loan Documents to the Credit Agreement, whether direct or indirect, shall mean a reference to the Credit Agreement as amended hereby. This Agreement shall constitute a Loan Document under the Credit Agreement.

Section 7. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Section 8. Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 3 hereof. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 9. Limited Effect. This Agreement relates only to the specific matters expressly covered herein, shall not be considered to be a waiver of any rights or remedies any Agent or Lender may have under the Credit Agreement or under any other Loan Document except as expressly set forth herein, and shall not be considered to create a course of dealing or to otherwise obligate in any respect any Agent or Lender to execute similar or other amendments or consents under the same or similar or other circumstances in the future.

Section 10. Payment of Legal Fees. The Borrower and Holdings shall, jointly and severally, pay all invoiced and reasonable fees, charges and disbursements of Proskauer Rose LLP incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, in each case, to the extent required by Section 9.05(a) of the Credit Agreement.

Section 11. Waiver of Defenses. Without limiting the generality of any other provision in any other Loan Document or otherwise, each of the Borrower and Holdings hereby waives any suretyship or other defenses (other than a defense of (i) the payment in full in cash of all the Obligations (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) or (ii) that no Obligations are yet due and payable) that may arise as a result of the joint and several liability of the Borrower and Holdings under this Agreement, and Section 2.03 of the Guarantee and Collateral Agreement is hereby incorporated herein by this reference, *mutatis mutandis*.

Section 12. Reaffirmation and Ratification. Each of Holdings and the Borrower (i) reaffirms and ratifies all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party and (ii) to the extent Holdings or the Borrower, as the case may be, granted liens on and security interests in any of its property (other than Excluded Assets (as defined in the Guarantee and Collateral Agreement)) pursuant to any Loan Document as security for or otherwise guaranteed the Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of liens and security interests and confirms and agrees that such liens and security interests hereafter secure all of the Obligations as amended hereby.

[signature pages follow]

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

BLACKLINE SYSTEMS, INC.,
as the Borrower

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer

BLACKLINE INTERMEDIATE, INC.,
as Holdings

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: President

[Signature Page to Amendment and Waiver]

SPECIAL VALUE CONTINUATION PARTNERS, LP,
TENNENBAUM OPPORTUNITIES FUND VI, LLC,
TENNENBAUM SENIOR LOAN FUND II, LP,
TENNENBAUM SENIOR LOAN SPV III, LLC and
TENNENBAUM SENIOR LOAN FUND IV-B, LP
each as a Lender

On behalf of each of the above entities:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Howard Levkowitz
Name: Howard Levkowitz
Title: Managing Partner

EXECUTION VERSION

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SECOND AMENDMENT AND WAIVER TO CREDIT AGREEMENT

This **SECOND AMENDMENT AND WAIVER TO CREDIT AGREEMENT** (this "***Amendment***") is dated as of March 22, 2016 (the "***Second Amendment Effective Date***"), and is entered into by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), BLACKLINE INTERMEDIATE, INC. (formerly known as SLS BREEZE INTERMEDIATE HOLDINGS, INC.), a Delaware corporation ("***Holdings***"), the Lenders party hereto and OBSIDIAN AGENCY SERVICES, INC., as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***").

W I T N E S S E T H

WHEREAS, the Borrower, Holdings, the financial institutions and other entities from time to time party thereto as lenders (the "***Lenders***") the Administrative Agent and Collateral Agent are parties to that certain Credit Agreement dated as of September 25, 2013 (as amended by that certain Amendment and Waiver dated as of September 1, 2015, the "***Existing Credit Agreement***" and, as amended hereby in the form attached hereto as Exhibit A and as may be further amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"); capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders (i) establish a revolving credit facility and provide revolving commitments under the Credit Agreement in an aggregate principal amount equal to $5,000,000 and (ii) extend additional term loans to the Borrower under the Credit Agreement pursuant to Section 2.01(b) thereof in an aggregate principal amount equal to $5,000,000;

WHEREAS, the Borrower has requested that the Required Lenders waive any Default or Event of Default related to the acquisition or formation of certain Wholly Owned Subsidiaries and the delivery of the Certificated Pledged Stock of such entities (to the extent arising or in effect prior to giving effect to this Amendment) as set forth more fully in this Amendment;

WHEREAS, (i) the RL Lenders are willing to provide Revolving Loan Commitments and extend Revolving Loans to the Borrower pursuant to the terms and subject to the conditions set forth in the Credit Agreement, (ii) the 2016 Term Loan Lenders are willing to provide 2016 Term Loan Commitments and extend 2016 Term Loans to the Borrower pursuant to the terms and subject to the conditions set forth in the Credit Agreement and (iii) the Required Lenders are willing to waive such Defaults or Events of Defaults as set forth herein; and

WHEREAS, in connection with the foregoing, the Administrative Agent, the Collateral Agent, the Borrower, Holdings, the RL Lenders and the Required Lenders party hereto have agreed to amend the Existing Credit Agreement as set forth herein and the Required Lenders have agreed to waive such Defaults or Events of Defaults as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

1. Amendments to Credit Agreement; Certain Related Matters. In reliance upon the representations and warranties of the Loan Parties set forth in Section 4 below and subject to the conditions precedent to effectiveness set forth in Section 5 below, the parties hereto hereby agree that:

(a) the Existing Credit Agreement is hereby amended to delete the struck text (indicated textually in the same manner as the following example: ~~struck text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Credit Agreement attached as Exhibit A hereto;

(b) upon the Second Amendment Effective Date, all loans made under the Existing Credit Agreement that are outstanding immediately prior to the Second Amendment Effective Date shall be "Initial Term Loans" under the Credit Agreement;

(c) all references to the terms "Intercreditor Agreement", "Revolving Agent", "Revolving Loan Agreement", "Revolving Loan Documents" and "Revolving Loan Lenders", and provisions specifically related to the foregoing terms in any Loan Document, shall be deemed to have no force and effect;

(d) the definition of "Excluded Assets" in the Guarantee and Collateral Agreement is hereby amended by replacing clause (a) thereof with the following: "(a) property subject to a purchase money security interest or Capital Lease Obligations permitted under the Credit Agreement or cash collateral subject to Liens permitted under Section 6.02(xiv) of the Credit Agreement,";

(e) Schedule 2.01 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit B;

(f) Exhibit A to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit C;

(g) The Exhibits to the Existing Credit Agreement are hereby supplemented by inserting, in their proper alphanumeric order, (i) "Exhibit A-1 Form of Notice of Revolver Borrowing" attached hereto as Exhibit D and (ii) "Exhibit B-1 Form of Revolving Note" attached hereto as Exhibit E;

(h) Exhibit B to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit F;

(i) Exhibit D to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit G;

(j) Exhibit G to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit H;

(k) Schedule 3.07(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit I;

(l) Schedule 3.08 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit J;

(m) Schedule 3.19(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit K;

(n) Schedule 3.19(b) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit L;

(o) Schedule 3.26 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit M;

(p) Schedule 3.28(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit N;

(q) Schedule II to the Guarantee and Collateral Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit O; and

(r) Schedule III to the Guarantee and Collateral Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit P.

2. Waiver. Effective as of March 26, 2014, in reliance upon the representations and warranties of Holdings and the Borrower set forth in Section 4 below and subject to the conditions to effectiveness set forth in Section 5 below, the Administrative Agent, the Collateral Agent and the Lenders hereby waive any Default or Event of Default that has occurred and is continuing solely to the extent such Default or Event of Default is related to the failure of the Borrower to promptly (and in any event within five (5) Business Days of its issuance) deliver or cause to be delivered to the Collateral Agent (a) the Certificated Pledged Stock of BlackLine Systems, Ltd. (British Columbia, Canada) as required under Section 3.02(a) of the Guarantee and Collateral Agreement and (b) the corresponding undated stock power duly executed in blank or other undated instruments of transfer reasonably satisfactory to the Collateral Agent and duly executed in blank and by such other instruments and documents as the Collateral Agent may reasonably request as required under Section 3.02(b) of the Guarantee and Collateral Agreement. This is a limited waiver and shall not be deemed to constitute a waiver of any other Default or Event of Default or any future breach of the Credit Agreement or any of the other Loan Documents or any other requirements of any provision of the Credit Agreement or any other Loan Documents.

3. Credit Agreement and Other Loan Documents in Full Force and Effect as Amended. Except as specifically amended hereby, the Credit Agreement and the other Loan Documents shall remain in full force and effect and hereby are ratified and confirmed as so amended. This Amendment shall not preclude the future exercise of any right, remedy, power or privilege available to the Administrative Agent, the Collateral Agent and the Lenders whether under the Credit Agreement, the other Loan Documents or otherwise, and shall not be construed or deemed to be a satisfaction, novation or release of the Obligations, Credit Agreement or other Loan Documents, but shall constitute amendments thereto. Without limiting the foregoing, each of Holdings and the Borrower (i) reaffirms and ratifies all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party and (ii) to the extent Holdings or the Borrower, as the case may be, prior to the date hereof, granted liens on and security interests in any of its property (other than Excluded Assets (as defined in the Guarantee and Collateral Agreement)) pursuant to any Loan Document as security for or otherwise guaranteed the Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of liens and security interests and confirms and agrees that such liens and security interests hereafter secure all of the Obligations.

4. Representations and Warranties. In order to induce the Lenders to enter into this Amendment, each of Holdings and the Borrower hereby represents and warrants to the Administrative Agent and the Lenders on the Second Amendment Effective Date that:

(a) the execution, delivery and performance of this Amendment by Holdings and the Borrower has been duly authorized by all requisite corporate or other entity and, if required, stockholder action of Holdings and the Borrower (as applicable);

(b) immediately after giving effect to this Amendment, no Event of Default has occurred and is continuing or would immediately result from the consummation of the transactions contemplated hereby;

(c) the representations and warranties set forth in Article III of the Credit Agreement and in the other Loan Documents, are true and correct in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date); *provided* that, if a representation and warranty is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this Section 3(c);

(d) no injunction or other restraining order has been issued or will be issued in connection with entering into the Amendment and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of the transactions contemplated hereby; and

(e) this Amendment, the Existing Credit Agreement (except as specifically amended hereby) and all other Loan Documents to which the Loan Parties are a party thereto are and remain legal, valid, binding and enforceable obligations of such Loan Parties in accordance with the terms thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5. Conditions Precedent to Effectiveness. The effectiveness of this Amendment and the obligations of the Administrative Agent, the Collateral Agent, the RL Lenders, the 2016 Term Loan Lenders and the Required Lenders to enter into this Amendment are subject to the satisfaction or waiver of the following conditions on or prior to the Second Amendment Effective Date:

(a) the Administrative Agent shall have received an executed original (or photocopy with the original to follow after the Second Amendment Effective Date) of (i) the Amendment, (ii) a solvency certificate from a Financial Officer of Holdings or the Borrower, substantially in the form of Exhibit H hereto, (iii) a patent security agreement substantially in the form of Exhibit D to the Guarantee and Collateral Agreement, (iv) the Revolving Note(s) and (v) the Term Note(s) evidencing the 2016 Term Loans;

(b) The Administrative Agent shall have received the following from or with respect to Holdings and the Borrower:

(i) a copy of the certificate or articles of incorporation or organization, including all amendments thereto, certified as of a recent date by either the Secretary of State of the state of its organization or such Governmental Authority, and, to the extent readily available with respect to franchise Taxes, a certificate certifying that such Loan Party has paid all franchise Taxes due and payable on or prior to the date of such certificate and such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(ii) a certificate of the Secretary, Assistant Secretary or other Responsible Officer of each Loan Party dated the Second Amendment Effective Date and certifying (A) that attached thereto are true and complete copies of the Organizational Documents of such Loan Party as in effect on the Second Amendment Effective Date, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Governing Body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents and, in the case of the Borrower, the borrowing of the 2016 Term Loans hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the charter or articles or certificate of incorporation or organization of such Loan Party have not been amended since the date thereof, and (D) as to the incumbency and specimen signature of each officer executing any Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party; and

(iii) a certification of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above;

(c) prior to the making of the 2016 Term Loans, the Administrative Agent shall have received a Notice of Borrowing, substantially in the form of Exhibit C hereto;

(d) the Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of Kirkland & Ellis LLP, counsel for the Loan Parties (A) dated the Second Amendment Effective Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (C) covering such other matters relating to the Amendment and the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type, and the Borrower hereby requests such counsel to deliver such opinions;

(e) (i) the representations and warranties in Section 3 hereof shall be true and correct in all material respects on and as of the Second Amendment Effective Date, (ii) the Borrower shall have performed in all material respects all agreements and satisfied all conditions which this Amendment provides shall be performed or satisfied by it on or before the Second Amendment Effective Date except as otherwise disclosed to and agreed to in writing by the Administrative Agent or that are otherwise waived, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate, in form and substance reasonably satisfactory to the Administrative Agent, certifying as to the accuracy of clause (c)(i); and

(f) the Borrower shall have paid to the Administrative Agent for the ratable distribution to (i) each RL Lender providing a Total Revolving Loan Commitment available on the Second Amendment Effective Date, an upfront fee on the Second Amendment Effective Date equal to 0.50% of the Total Revolving Loan Commitment, (ii) each 2016 Term Loan Lender, the Yield Enhancement Fee pursuant to Section 2.05(b) of the Credit Agreement and (iii) such other amounts due and payable on or prior to the Second Amendment Effective Date that are required to be paid under the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out of pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document. Once paid, none of the fees shall be refundable under any circumstance or subject to any right of setoff counterclaim or any similar right (each of which is hereby waived by Holdings and the Borrower).

6. Post-Closing Obligations. Each of the Administrative Agent, the Collateral Agent, the RL Lenders, the 2016 Term Loan Lenders and the Required Lenders agrees that, in addition to all other terms, conditions and provisions set forth in this Amendment and the other Loan Documents, including those conditions set forth in Section 5, Holdings and the Borrower shall satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (or such later date as agreed to by the Administrative Agent in its reasonable discretion), it being understood that (i) the failure by Holdings and/or the Borrower to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an immediate Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Amendment or any other Loan Document to be breached, the Required Lenders hereby waive such breach for the period from the Second Amendment Effective Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 6:

(a) Deliver to the Collateral Agent a Control Agreement in order to perfect Liens by "control" (within the meaning of the UCC) in respect of the Deposit Accounts (Account Nos. XXXXX### and XXXXX###) listed on Exhibit M hereto in form and substance reasonably satisfactory to the Collateral Agent no later than thirty (30) days after the Second Amendment Effective Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion); and

(b) Deliver to the Collateral Agent the original certificated Pledged Stock of BlackLine Systems, Ltd. (British Columbia, Canada) and the corresponding undated stock power duly executed in blank or other undated instruments of transfer reasonably satisfactory to the Collateral Agent no later than five (5) Business Days after the Second Amendment Effective Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

7. Taxes. For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of the Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

8. Miscellaneous.

(a) Incorporation of Loan Agreement Provisions. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Sections 9.07 (*Applicable Law*), 9.10 (*Entire Agreement*), 9.11 (*Waiver of Jury Trial*), 9.12 (*Severability*), 9.13 (*Counterparts*), 9.14 (*Headings*), 9.15 (*Jurisdiction; Consent to Service of Process)* and 9.16 (*Confidentiality*) of the Credit Agreement are expressly incorporated herein by reference, *mutatis mutandis*.

(b) Loan Documents. This Amendment shall constitute a Loan Document for purposes of the Credit Agreement.

(c) Reference to Credit Agreement. Each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import, and each reference in the Credit Agreement or in any other Loan Document, or other agreements, documents or other instruments executed and delivered pursuant to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

[Signature Pages Follow]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

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

BLACKLINE SYSTEMS, INC.,
as the Borrower

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer and Treasurer

BLACKLINE INTERMEDIATE, INC.,
as Holdings

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer and Treasurer

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Vice President

[Signature Page to Amendment]

TENNENBAUM OPPORTUNITIES FUND VI, LLC, as an Initial Term Loan Lender on behalf of the above entity:
as Administrative Agent and Collateral Agent

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

SPECIAL VALUE CONTINUATION PARTNERS, LP, TENNENBAUM SENIOR LOAN FUND II, LP, and TENNENBAUM SENIOR LOAN FUND IV-B, LP,
each as an Initial Term Loan Lender, a RL Lender and a 2016 Term Loan Lender on behalf of each of the above entities:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

TENNENBAUM SENIOR LOAN OPERATING III, LLC, as an Initial Term Loan Lender and a RL Lender on behalf of the above entity:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

TENNENBAUM SENIOR LOAN FUNDING III, LLC, as a 2016 Term Loan Lender on behalf of the above entity:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

EXHIBIT A

Form of Amended Credit Agreement

[To be attached]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Exhibit A

EXECUTION VERSION

CREDIT AGREEMENT

dated as of

September 25, 2013,

among

BLACKLINE SYSTEMS, INC.,

SLS BREEZE INTERMEDIATE HOLDINGS, INC.

THE LENDERS PARTY HERETO

and

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

[REFLECTING AMENDMENTS TO BE MADE PURSUANT TO THAT CERTAIN SECOND AMENDMENT TO CREDIT AGREEMENT TO WHICH THIS EXHIBIT A IS ATTACHED]

~~9335/74326-004 current/38542033v9~~
9699/74326-004 current/53284768v11

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

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(continued)

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SCHEDULES

EXHIBITS

~~9335/74326-004 current/38542033v9~~
9699/74326-004 current/53284768v11

CREDIT AGREEMENT

This **CREDIT AGREEMENT** (this "***Agreement***") is dated as of September 25, 2013 and entered into by and among **BLACKLINE SYSTEMS, INC.**, a California corporation (the "***Borrower***"), **SLS BREEZE INTERMEDIATE HOLDINGS, INC.**, a Delaware corporation ("***Holdings***"), the Lenders (as defined in Article I), and **OBSIDIAN AGENCY SERVICES, INC.**, as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***") for the Lenders.

PRELIMINARY STATEMENT

Holdings and the Borrower desire that the Lenders extend ~~a term loan~~certain credit facilities to the Borrower to refinance certain existing indebtedness, to pay certain transaction expenses and for working capital and other general corporate purposes of the Borrower and its Subsidiaries, including, to the extent permitted hereby, to make capital expenditures, acquisitions, investments and distributions from time to time.

The Lenders have agreed to extend such ~~term loan~~credit facilities to the Borrower.

The Borrower desires to secure all of the Obligations hereunder and under the other Loan Documents by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of its assets, as and to the extent provided herein and in the other Loan Documents.

Holdings and all of the Domestic Subsidiaries of the Borrower (subject to exceptions set forth herein and the other Loan Documents) have agreed to guarantee the Obligations hereunder and under the other Loan Documents and to secure their guaranties by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of their respective assets, as and to the extent provided herein and in the other Loan Documents.

The Lenders are willing to extend such ~~term loan~~credit to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Defined Terms***.

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

"***2016 Term Loans***" shall mean the term loans made by the 2016 Term Loan Lenders to the Borrower pursuant to Section 2.01(b), together with PIK Interest, if any.

"***2016 Term Loan Commitment***" shall mean, for each 2016 Term Loan Lender, the amount set forth opposite such 2016 Term Loan Lender's name in Schedule 2.01 directly below the column entitled "2016 Commitment", as same may be adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.18 or Section 9.04(b). The aggregate amount of the 2016 Term Loan Lenders' 2016 Term Loan Commitment on the Second Amendment Effective Date is $5,000,000.

"***2016 Term Loan Lender***" shall mean each Lender with a 2016 Commitment or with outstanding 2016 Term Loans.

"***Acceptance Notice***" shall have the meaning assigned to such term in Section ~~2.22~~2.23.

"***Acquired Entity***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Acquisition"*** shall mean the acquisition of the Borrower by Holdings pursuant to the Acquisition Agreement.

"***Acquisition Agreement***" shall mean that certain Agreement and Plan of Merger, dated as of August 9, 2013, by and among SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc., SLS Breeze Merger Sub, Inc. and Blackline Systems, Inc.

"***Administrative Agent***" shall have the meaning assigned to such term in the Preamble.

"***Administrative Questionnaire***" shall mean an Administrative Questionnaire in the form of Exhibit C, or such other form as may be supplied from time to time by the Administrative Agent.

"***Affiliate***" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; *provided, however*, that, for purposes of Section 6.07, the term "Affiliate" shall also include any Person that directly or indirectly owns 10% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

"***Agents***" shall have the meaning assigned to such term in Article VIII.

"***Agreement***" shall mean this Credit Agreement.

"***Alternate Base Rate***" means, for any day, a fluctuating rate of interest per annum equal to the highest of:

(i) the Prime Rate in effect on such day; and

(ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1.0% per annum.

Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively. Interest calculated pursuant to clause (i) above will be determined based on a year of 365 days or 366 days, as applicable and actual days elapsed. Interest calculated pursuant to clause (ii) above will be determined based on a year of 360 days and actual days elapsed.

"***Applicable Prepayment Premium***" shall ~~have the meaning assigned to such term in Section 2.10(a).~~mean:

(i) with respect to the Initial Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount to the applicable prepayment date:

If Prepaid:	***Percentage of the Principal***
From and after the Closing Date to but not including the second anniversary of the Closing Date	**3.0%**
From and after the second anniversary of the Closing Date to but not including the third anniversary of the Closing Date	**1.0%**
From and after the third anniversary of the Closing Date	**0%**

(ii) with respect to the 2016 Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount to the applicable prepayment date:

If Prepaid:	***Percentage of the Principal***
From and after the Second Amendment Effective Date to but not including the first anniversary of the Second Amendment Effective Date	**2.0%**
From and after the first anniversary of the Second Amendment Effective Date to but not including the second anniversary of the Second Amendment Effective Date	**3.0%**
From and after the second anniversary of the Second Amendment Effective Date to but not including the third anniversary of the Second Amendment Effective Date	**1.0%**

"***Asset Sale***" shall mean the sale, transfer, license or other Disposition by Holdings, the Borrower or any Subsidiary to any Person (other than the Borrower or any Subsidiary Guarantor) of (i) any of the Equity Interests of the Borrower or any of its Subsidiaries, (ii) substantially all of the assets of any division or line of business of the Borrower or any of its Subsidiaries, or (iii) any other assets (whether tangible or intangible) of the Borrower or any of its Subsidiaries (other than (a) inventory sold in the ordinary course of business, (b) sales, assignments, transfers or Dispositions of accounts in the ordinary

course of business for purposes of collection, (c) non-exclusive licenses and sublicenses of Intellectual Property, in the ordinary course of business, (d) leasing and sub-leasing of property and (e) any such other assets to the extent that the aggregate value of such assets sold or otherwise Disposed of in any fiscal year of the Borrower does not exceed $500,000); *provided* that (y) a Casualty Event, the issuance of Equity Interests of Holdings, the issuance of Equity Interests of Borrower or any Subsidiary to Holdings or any other Loan Party or the issuance by Holdings or any of its Subsidiaries of Indebtedness shall not constitute an Asset Sale and (z) the events set forth in clauses (iv), (vi), (vii), (x), (xii), (xvi), (xvii) and (xix) of Section 6.05 shall not constitute an Asset Sale for purposes of Section 2.11(~~a~~b) or the definition of "Net Asset Sale Proceeds."

"***Assignment and Acceptance***" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee and with the consent of any Person whose consent is required by Section 9.04(b), in the form of Exhibit D or such other form as shall be approved by the Administrative Agent.

"***Availability Period***" shall have the meaning assigned to such term in Section 2.01(c).

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"***Board***" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" shall have the meaning assigned to such term in the Preamble.

"***Business Day***" shall mean any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"***Capital Lease Obligations***" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; *provided* that the adoption or issuance of any accounting standards after the Closing Date will not cause any lease that was not or would not have been Capital Lease Obligations prior to such adoption or issuance to be deemed Capital Lease Obligations.

"***Casualty Event***" shall mean any event or occurrence described in clauses (i) and/or (ii) of the definition of "Net Insurance/Condemnation Proceeds".

"***CFC***" shall mean a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"***Change in Law***" shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.12, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd–Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives issued thereunder or in connection therewith and (y) all

requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the day enacted, adopted, issued or implemented.

"***Change of Control***" shall mean the occurrence of any of the following:

(i) the Permitted Holders collectively shall cease to beneficially own and Control at least 25% on a fully diluted basis of (x) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (y) the total economic interests (for the avoidance of doubt, which shall exclude any Indebtedness (other than Disqualified Stock)) of the Equity Interests of Holdings, in each case with such 25% being free and clear of any Liens, rights, options, warrants or similar agreements or understandings;

(ii) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and the Subsidiaries, taken as a whole, to any Person;

(iii) the occurrence of a change in the composition of the Governing Body of Holdings or the Borrower such that a majority of the members of any such Governing Body are not Continuing Directors;

(iv) (a) the failure at any time of Holdings, directly, to legally and beneficially own and Control 100% on a fully-diluted basis of the issued and outstanding Equity Interests of the Borrower free and clear of any Liens, rights, options, warrants or similar agreements or understandings other than Liens in favor of the Collateral Agent created pursuant to the Security Documents and other Liens permitted under Section 6.02 or (b) the failure at any time of Holdings to have the ability to elect all of the Governing Body of the Borrower;

(v) the occurrence of any "change of control" (or similar event, howsoever denominated) under ~~the Revolving Loan Agreement or~~ the definitive documentation governing or evidencing any Material Indebtedness of any Loan Party;

(vi) a "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than any such "person" or "group" comprised solely of Permitted Holders, becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of or Controls, directly or indirectly, a greater percentage of (a) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (b) the total economic interests of the Equity Interests of Holdings than that collectively beneficially owned or Controlled (whichever is applicable above) by the Permitted Holders.

As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning set forth in the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this definition, a Person shall not be deemed to have beneficial ownership of the voting Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement, so long as such agreement contains a condition to the closing of the transactions contemplated thereunder that the Obligations under this Agreement and the other Loan Documents shall be paid in full and terminated prior to (or contemporaneous with) the consummation of such transactions.

"***Change of Control Prepayment Premium***" shall ~~have the meaning assigned to such term in Section 2.11(d).~~mean:

(i) with respect to Initial Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such Initial Term Loans outstanding on the applicable prepayment date:

If Prepaid:	***Percentage***
From and after the Closing Date up to but not including the first anniversary of the Closing Date	**2.0%**
From and after the first anniversary of the Closing Date up to but not including the second anniversary of the Closing Date	**1.0%**
From and after the second anniversary of the Closing Date up to but not including the third anniversary of the Closing Date	**0.25%**
From and after the third anniversary of the Closing Date	**0%**

(ii) with respect to 2016 Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such 2016 Term Loans outstanding on the applicable prepayment date:

If Prepaid:	***Percentage***
From and after the Second Amendment Effective Date up to but not including the first anniversary of the Second Amendment Effective Date	**2.0%**
From and after the first anniversary of the Second Amendment Effective Date up to but not including the second anniversary of the Second Amendment Effective Date	**1.0%**
From and after the second anniversary of the Second Amendment Effective Date up to but not including the third anniversary of the Second Amendment Effective Date	**0.25%**

"***Charges***" shall have the meaning assigned to such term in Section 9.09.

"***Closing Date***" shall mean the date on which the ~~initial~~Initial Term Loans ~~are~~were made~~.~~, which was September 25, 2013.

"***Code***" shall mean the Internal Revenue Code of 1986.

"***Collateral***" shall mean all the real, personal, and mixed (real and personal) property of the Loan Parties in which Liens are granted pursuant to the Security Documents, including all "Collateral" (as defined therein), and all Mortgaged Properties (for the avoidance of doubt, excluding any Excluded Assets (as defined in the Guarantee and Collateral Agreement)).

"***Collateral Agent***" shall have the meaning assigned to such term in the Preamble.

"***Commitment***" shall mean~~, with respect to each Lender, the commitment of such Lender~~ any of the commitments to make Loans hereunder ~~as set forth on Schedule 2.01,~~ or in ~~the~~any Assignment and Acceptance ~~pursuant to which such Lender assumed its Commitment, as applicable. The aggregate amount of the Lenders' Commitments as of the Closing Date is $25,000,000.~~(as applicable) of any Lender (*i.e.*, a Revolving Loan Commitment or a Term Loan Commitment).

"***Commitment Fee***" shall have the meaning assigned to such term in Section 2.05(a).

"***Competitor***" shall mean any of those Persons or entities that are competitors of the Borrower and its Subsidiaries and affiliates of any such competitors, in each case, identified by the Borrower to the Administrative Agent in writing, and as updated from time to time with prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned).

"***Connection Income Taxes***" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated Leverage Ratio***" shall mean, on any date, the ratio of the principal amount of all outstanding Loans (including, for the avoidance of doubt, any PIK Interest that has been previously added to the principal amount of the ~~Loans~~Term Loans, but excluding, for the avoidance of doubt, any Commitments) outstanding on such date to Consolidated Revenue for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

"***Consolidated Revenue***" shall mean, for any period, the subscription and maintenance revenue of Holdings and its Subsidiaries on a consolidated basis determined in a manner consistent with GAAP, for such period.

"***Consolidated Total Assets***" shall mean, as of any date, the total property and assets of Holdings and its Subsidiaries, determined in accordance with GAAP, as set forth on the consolidated balance sheet of Holdings delivered in connection with the most recent audited annual financial statements of Holdings (on a pro forma basis after giving effect to any Permitted Acquisitions or any Investments or Dispositions permitted under the Loan Documents).

"***Contingent Obligation***", as applied to any Person, shall mean any direct or indirect liability, contingent or otherwise, of that Person (i) with respect to any Indebtedness, lease, dividend or other obligation (the "***primary obligation***") of another if the purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such primary obligation of another that such primary obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such primary obligation will be protected (in whole or in part) against loss in respect thereof, (ii) with respect to any banker's acceptance, letter of credit or surety bond or similar instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (iii) under Hedging Agreements. Contingent Obligations shall include (a) the direct or indirect guarantee, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the primary obligation of another, (b) the obligation to make or pay similar payments if required regardless of non-performance by any other party or parties to an agreement, and (c) any liability of such Person for the primary obligation of another through any agreement (contingent or otherwise) (1) to purchase, repurchase or otherwise acquire such primary obligation or any security therefor, or to provide funds for the payment or discharge of such primary obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (2) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (1) or (2) of this sentence, the purpose or intent thereof is as described in the preceding sentence; provided, however, that "Contingent Obligation" shall not include (A) endorsements for collection or deposit in the ordinary course of business, (B) customary indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or Equity Interests permitted under this Agreement or the other Loan Documents, (C) product warranties or other similar contingent obligations given or incurred in the ordinary course of business and (D) ordinary course performance guarantees by Holdings or any of its Subsidiaries of the obligations (other than for the payment of Indebtedness) of any other of Holdings or any of its Subsidiaries. The amount of any liability in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined. The amount of any other Contingent Obligation shall be equal to the lesser of (y) the outstanding amount of the primary obligation so guaranteed or otherwise supported and (z) the stated maximum amount for which such Person may be liable under such Contingent Obligation, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case, the amount of such Contingent Obligations shall be determined by the Borrower reasonably and in good faith.

"***Continuing Directors***" shall mean the directors of Holdings on the Closing Date, and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors or such other director receives the vote of the Permitted Holders in his or her election by the shareholders of Holdings or such director is appointed pursuant to any shareholder agreement or governing document by any Permitted Holder.

"***Contractual Obligation***" shall mean, with respect to any Person, any agreement, instrument or other undertaking (other than a Loan Document) to which such Person is a party or by which it or any of its property is bound.

"***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "***Controlling***" and "***Controlled***" shall have meanings correlative thereto.

"***Control Agreement***" shall mean an agreement, reasonably satisfactory in form and substance to the Collateral Agent and executed by the financial institution or securities intermediary at which a Deposit Account or a Securities Account, as the case may be, is maintained, pursuant to which such financial institution or securities intermediary confirms and acknowledges the Collateral Agent's security interest in such account, and agrees that the financial institution or securities intermediary, as the case may be, will comply with instructions or entitlement orders, as applicable, originated by the Collateral Agent as to disposition of funds in such account, without further consent by the Borrower or any Subsidiary; provided that the Collateral Agent shall only deliver instructions or entitlement orders when an Event of Default has occurred and is continuing.

"***Controlled Investment Affiliate***" shall mean, with respect to any Person, any other Person that (a) directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person and (b) is organized primarily for the purpose of making equity or debt investments in one or more companies.

"***Copyright Act***" shall mean Title 17 of the United States Code, including the Copyright Act of 1976, and all rules and regulations issued or promulgated thereunder, all as amended and in effect from time to time.

"***Credit ~~Facility~~Facilities***" shall mean the ~~term~~ loan ~~facility~~facilities provided for by this Agreement.

"***Cure Amount***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Contribution***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Date***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Right***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Securities***" shall have the meaning assigned to such term in Section 7.02(a).

"***Declined Proceeds***" shall have the meaning assigned to such term in Section 2.11(~~f~~g).

"***Default***" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"***Deposit Account***" shall have the meaning assigned to such term in the UCC.

"***Designated Event of Default***" shall mean any Event of Default of the type described in any of clauses (a), (b), (g) or (h) of Section 7.01.

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"***Disposition***" shall mean with respect to any property (other than cash), any sale, lease, sublease, sale and leaseback, assignment, conveyance, transfer, license or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings. For the avoidance of doubt, the terms Disposition, Dispose and Disposed of do not refer to the issuance, sale or transfer of Equity Interests by Holdings.

"***Disqualified Stock***" shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment (other than payments solely in the form of issuances of Qualified Capital Stock) constituting a return of capital, in each case at any time on or prior to the date that is 91 days following the Maturity Date; or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) Indebtedness securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time on or prior to the date that is 91 days following the Maturity Date, except, in the case of clause (a), if as a result of a change of control event or asset sale or other Disposition or casualty event, so long as any rights of the holders thereof to require the redemption thereof upon the occurrence of such a change of control event or asset sale or other Disposition or casualty event are subject to the prior payment in full of the Obligations (other than unasserted contingent indemnification or reimbursement obligations not yet due).

"***Dollars***" or "***$***" shall mean lawful money of the United States of America.

"Domestic Subsidiary" shall mean any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia in each case, other than a Foreign Subsidiary Holdco.

"***Eligible Assignee***" shall mean (i) any Lender, any Affiliate of any Lender and any Related Fund of any Lender; and (ii) (a) a commercial bank organized under the laws of the United States or any state thereof; (b) a savings and loan association or savings bank organized under the laws of the United States or any state thereof; (c) a commercial bank organized under the laws of any other country or a political subdivision thereof; *provided* that (1) such bank or association is acting through a branch or agency located in the United States or (2) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country; and (d) any other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) that makes or purchases loans or investments in the ordinary course of business; *provided* that, notwithstanding anything to the contrary in this Agreement, each of the Borrower, any Affiliate of the Borrower and any Excluded Lender shall not be an Eligible Assignee and any attempted assignment to such Persons shall be absolutely void *ab initio*.

"***Eligible Incremental Lender***" shall mean all Eligible Assignees reasonably acceptable to the Administrative Agent and the Borrower.

"***Employee Benefit Plan***" shall mean, at any time, an employee benefit plan, as defined in Section 3(3) of ERISA, which the Borrower or any ERISA Affiliate maintains, contributes to or has an obligation to contribute or with respect to which Borrower could reasonably be expected to incur liability (including under Section 4409 of ERISA or on account of an ERISA Affiliate).

"***Environmental Laws***" shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments,

directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources or the presence, Release of, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"***Environmental Liability***" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Equity Interests***" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is, or was within the last six preceding plan years, treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is, or was within the last six preceding plan years, treated as a single employer under Section 414 of the Code. Any trade or business that was an ERISA Affiliate under the preceding sentence during the six preceding plan years shall continue to be deemed an ERISA Affiliate hereunder solely with respect to liabilities asserted against Borrower under the Code or ERISA attributable to the period such trade or business was in fact an ERISA Affiliate under the preceding sentence.

"***ERISA Event***" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the failure of any Plan to meet the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan or the occurrence of any event or condition which would reasonably be expected to constitute grounds under ERISA for the termination of or the appointment of a trustee to administer, any Plan, (f) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, (g) the occurrence of a non-exempt "prohibited transaction" with respect to which the Borrower or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or any such Subsidiary could reasonably be expected to incur a material liability, (h) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA, (i) the imposition of liability on the Borrower or any ERISA

Affiliate pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA or (j) the imposition of a Lien on the Borrower pursuant to Section 430(k) of the Code or ERISA.

"***Events of Default***" shall have the meaning assigned to such term in Article VII.

"***Excess Rate***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

"***Excluded Equity***" shall mean (a) in the case of Equity Interests of all existing first-tier Foreign Subsidiaries that are CFCs of any Loan Party, 35% of the voting Equity Interests of such Foreign Subsidiary, (b) in the case of Equity Interests of any Foreign Subsidiary Holdco, 35% of the voting Equity Interests of such Foreign Subsidiary HoldCo or, in the case under the foregoing clause (b) only such lesser amount to the extent the pledge of or a granting of a Lien on a greater amount of such Foreign Subsidiary Holdco's Equity Interests could not reasonably be expected to (i) result in adverse tax consequences, (ii) result in costs to Holdings and its Subsidiaries that are disproportionately large in relation to the benefit to the Lenders, as mutually determined by the Collateral Agent and the Borrower in their reasonable discretion or (iii) be prevented or impaired by applicable law, order or regulation, (c) any Equity Interests in a joint venture or non-Wholly Owned Subsidiary (other than a non-Wholly Owned Subsidiary acquired pursuant to a Permitted Acquisition) to the extent (i) the granting, creating or perfecting a pledge, security interest or Lien on such Equity Interests is prohibited or restricted by a Contractual Obligation or (ii) the consent or approval of a Person other than an Affiliate of the Borrower is required, or (d) any Equity Interests of any Person that is not a first-tier Subsidiary of any Loan Party (except (but only) to the extent such Person is a first-tier Subsidiary of another Loan Party).

"***Excluded Lender***" shall mean (a) natural Persons, (b) Competitors and (c) those banks, financial institutions, institutional lenders and other Persons that have been specified to the Administrative Agent by the Borrower or the Sponsor in writing prior to the Closing Date (it being agreed and understood by the Agents and each Lender on the Closing Date that the list specifying the Persons in clause (c) of this definition shall not be delivered to (or any of its contents shared with) any Person other than the Persons that are Lenders on the Closing Date; *provided* that the Administrative Agent may verbally state whether a Person is an Eligible Assignee based on such list so long as the question is posed by a Lender for the sole purpose of considering assigning the Loans or selling participations hereunder to a non-Affiliated third-Person that is not otherwise excluded from being an Eligible Assignee by the other provisions in the definition of "Eligible Assignee").

"***Excluded Taxes***" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date of which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Existing Debt Refinancing***" shall mean the repayment in full of the Indebtedness set forth on Schedule 1.01(c) and the termination of commitments thereunder and the release of all guarantees and security in respect thereof.

"***Fair Labor Standards Act***" shall mean the Fair Labor Standards Act of 1938, as amended from time to time.

"***FATCA***" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"***Federal Funds Effective Rate***" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System of the United States arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Federal Power Act***" shall mean the Federal Power Act of 1935, as amended from time to time.

"***Fees***" shall mean the Commitment Fee and the Yield Enhancement Fees.

"***Financial Officer***" of any Person shall mean the chief financial officer, chief executive officer, vice president of finance, principal accounting officer, treasurer, assistant treasurer or controller, or, in each case, anyone acting in such capacity or any similar capacity, of such Person.

"***Foreign Lender***" shall mean any Lender that is not a U.S. Person.

"***Foreign Plan***" shall mean any defined benefit pension plan maintained or contributed to by any Loan Party solely with respect to employees employed outside the United States.

"***Foreign Subsidiary***" shall mean any Subsidiary that is not a Domestic Subsidiary.

"***Foreign Subsidiary Holdco***" shall mean a direct or indirect Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia of the Borrower formed or acquired before, on or after the Closing Date, that has no material assets other than capital stock or other Equity Interests of CFCs.

"***GAAP***" shall mean United States generally accepted accounting principles applied on a consistent basis.

"***Governing Body***" shall mean the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

"***Governmental Authority***" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality, regulatory body, board or commission.

"***Granting Lender***" shall have the meaning assigned to such term in Section 9.04(j).

"***Guarantee and Collateral Agreement***" shall mean the Guarantee and Collateral Agreement, in the form of Exhibit E, among the Borrower, Holdings, the Subsidiary Guarantors party thereto, and the Collateral Agent for the benefit of the Secured Parties.

"***Guarantors***" shall mean Holdings and the Subsidiary Guarantors.

"***Hazardous Materials***" shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"***Hedging Agreement***" shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"***Holdings***" shall have the meaning assigned to such term in the Preamble.

"***ICC Termination Act***" shall mean the ICC Termination Act of 1995, as amended from time to time.

"***Immaterial Subsidiary***" means Subsidiaries of the Borrower that (i) are not Loan Parties, (ii) own assets in an amount no greater than 2.5% individually and 5% in the aggregate of the Consolidated Total Assets of Holdings and its Subsidiaries (on a consolidated basis), (iii) generate revenue in an amount no greater than 2.5% individually and 5% in the aggregate of the total revenues of Holdings and its Subsidiaries (on a consolidated basis) and (iv) have previously been designated in writing by the Borrower to the Administrative Agent as "Immaterial Subsidiaries."

"***Increase Conditions***" means the following conditions: (i) Consolidated Revenue for the most recently ended four fiscal quarter period for which financial statements under Section 5.04(a) or (b) have been delivered equaling or exceeding $50,000,000 and (ii) receipt by the Administrative Agent of a certificate of a Financial Officer of the Borrower setting forth in reasonable detail the calculations showing satisfaction of the foregoing condition.

"***Increased Amount Date***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Incremental Commitments***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Incremental Lender***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Incremental Loan***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Incremental Loan Amendment***" shall have the meaning assigned to such term in Section ~~2.22.~~2.23.

"***Indebtedness***" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services, including any-earn out obligations

(excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business and not more than 180 days past due, (ii) purchase price adjustments and earn-out obligations (unless such amounts are not paid after becoming due and payable or appear (or would be required to appear pursuant to GAAP) as liabilities on the balance sheet of such Person), (iii) royalty payments made in the ordinary course of business in respect of licenses, any accruals for payroll and (iv) other non-interest bearing liabilities accrued in the ordinary course of business and deferred rent obligations), (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person reasonably and in good faith and (y) the amount of Indebtedness secured by such Lien, (f) all Contingent Obligations of such Person in respect of Indebtedness of others, (g) all Capital Lease Obligations and Synthetic Lease Obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases (other than Capitalized Lease Obligations recorded as capitalized leases in accordance with GAAP as in effect on the Closing Date) shall not constitute Indebtedness), (h) all obligations of such Person as an account party in respect of letters of credit, (i) all obligations of such Person in respect of bankers' acceptances, (j) Disqualified Stock and (k) all obligations of such Person in respect of any Hedging Agreement, in each case, whether entered into for hedging or speculative purposes or otherwise; *provided* that (1) Indebtedness shall not include (A) accrued expenses, deferred rent, deferred revenue, deferred taxes and deferred compensation and customary obligations under employment arrangements, (B) customary payables with respect to money orders or wire transfers, and (C) obligations under operating leases and (2) the items in clauses (a) through (k) above shall constitute Indebtedness of such person solely to the extent (x) such Person is liable for such item, (y) any such item is secured by a Lien on such Person's property but only to the extent of the lesser of the fair market value of the property subject to such Lien and the principal amount of, and interest and other amount owing in respect of, such Indebtedness or (z) any other Person has a right, contingent or otherwise, to cause such Person to become liable for any part of any such item or to grant such a Lien. The amount of any Indebtedness of any Person in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, but only to the extent such Person is obligated therefor by contract or operation of applicable law.

"***Indemnified Taxes***" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitee***" shall have the meaning assigned to such term in Section 9.05(b).

"***Information***" shall have the meaning assigned to such term in Section 9.16.

"***Initial Term Loans***" shall mean the term loans made by the Initial Term Loan Lenders to the Borrower pursuant to Section 2.01(a), together with PIK Interest, if any. The outstanding aggregate principal amount of the Initial Term Loans as of the Second Amendment Effective Date equals $29,648,388.82 as set forth on Schedule 2.01.

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"***Initial Term Loan Commitment***" with respect to each Initial Term Loan Lender, the commitment of such Initial Term Loan Lender to make Initial Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Initial Term Loan Lender assumed its Initial Term Loan Commitment, as applicable. The Initial Term Loan Lenders' remaining Initial Term Loan Commitments as of the Second Amendment Effective Date equals $0 as set forth on Schedule 2.01.

"***Initial Term Loan Lender***" shall mean each Lender with an Initial Term Loan Commitment or with outstanding Initial Term Loans.

"***Insolvency Proceeding***" shall mean (i) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (ii) any general assignment for the benefit of creditors, formal or informal moratorium, composition, marshaling of assets for creditors or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case, undertaken under United States federal or state or non-United States legal requirements, including the Bankruptcy Code.

"***Intellectual Property***" shall mean all present and future: trade secrets, know-how and other proprietary information; trademarks, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations therefor throughout the world; works of authorship, copyrightable works, copyright registrations and copyright applications; and all tangible and intangible property embodied therein, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

~~"***Intercreditor Agreement***" shall mean an intercreditor agreement between the Collateral Agent and lenders under the Revolving Loan Agreement (or the Revolving Agent on behalf of such lenders) in form and substance reasonably acceptable to the Collateral Agent.~~

"***Interest Payment Date***" shall mean December 31, 2013 and the last day of each calendar quarter thereafter, *provided* if any such day is not a Business Day, such Interest Payment Date shall be extended to the next succeeding Business Day and interest shall accrue for each day of such extension.

"***Interstate Commerce Act***" shall mean the Interstate Commerce Act of 1887, as amended from time to time.

"***Investment***" shall mean (i) any direct or indirect purchase or other acquisition by Holdings, the Borrower or any of its Subsidiaries of, or of a beneficial interest in, any stocks, bonds, notes, debentures or other obligations or securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Holdings, the Borrower or any Subsidiary of the Borrower from any Person, of any Equity Interests of such Person; and (iii) any direct or indirect loan, advance (other than loans or advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by

Holdings, the Borrower or any of its Subsidiaries to any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto (other than replacement or repair costs in connection with Casualty Events), without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment and after giving effect to any return of capital, repayment or dividends or distributions in respect thereof received in cash with respect to such Investment and less all liabilities expressly assumed by another person in connection with the sale or other disposition of such Investment.

"***Investment Company Act of 1940***" shall mean the Investment Company Act of 1940, as amended from time to time.

"***IRS***" shall mean the United States Internal Revenue Service.

"***Lenders***" shall mean (a) the Persons listed on Schedule 2.01 (other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance, in each case, in accordance and in compliance with Section 9.04 (including, without limitation, any consents required thereby); *provided*, *however*, that no Excluded Lender shall be a Lender.

"***Libor Rate***" shall mean, for any date of determination, the greater of (x) ~~1.50~~(i) with respect to the Initial Term Loans and the 2016 Term Loans, 1.50% per annum and (ii) with respect to Revolving Loans, 0.50% per annum and (y) the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) that appears on Bloomberg as of approximately 11:00 a.m. (Los Angeles time) on such date of determination; *provided*, that if such index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination, and if this latter index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the Prime Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination. The Libor Rate shall be reasonably determined on the Closing Date and the first Business Day of each calendar quarter thereafter by the Administrative Agent or, if no Administrative Agent then exists, by the Required Lenders.

"***LIBOR Unavailability Notice***" shall have the meaning assigned to such term in Section 2.12(e).

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; *provided* that in no event shall an operating lease be deemed to be a Lien.

"***Liquidity***" shall mean (i) the amount of Unrestricted Cash and Permitted Investments of the Loan Parties in the aggregate plus (ii) the ~~aggregate amount of unused commitments under the~~Total Unutilized Revolving Loan ~~Agreement~~Commitment.

"***Loan(s)***" shall mean ~~the term loans made by the Lenders to the Borrower pursuant to Section 2.01, together with PIK Interest, if any.~~ each Revolving Loan, each Initial Term Loan, each 2016 Term Loan and, to the extent set forth in Section 2.23(f), each Incremental Loan; provided that with respect to any Note issued prior to the Second Amendment Effective Date, all references to "Loans" therein shall be deemed to refer exclusively to Initial Term Loans.

"***Loan Commitment Percentage***" shall mean, as to any Lender at any time, the percentage of the aggregate outstanding principal amount of Loans then constituted by the aggregate outstanding principal amount of such Lender's Loans.

"***Loan Documents***" shall mean this Agreement, the Security Documents, the ~~Intercreditor Agreement~~Revolving Notes, the Term Notes and any other document or agreement executed in connection herewith or therewith.

"***Loan Parties***" shall mean the Borrower and the Guarantors.

"***Local Time***" shall mean Los Angeles time.

"***Management Agreement***" shall mean any written agreement by and between Sponsor or its Affiliates and Holdings or Borrower entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent (it being understood and agreed that any provisions providing for cost and expense reimbursement and indemnification not in excess of the amount permitted under Section 6.06(a)(iii) of this Agreement shall be satisfactory to the Administrative Agent).

"***Management Fee Recipient***" shall have the meaning assigned to such term in the definition of "Management Fees".

"***Management Fees***" shall mean any fees or other amounts (whether structured as a fee, an underwriting discount or otherwise) payable, directly or indirectly, to or for the benefit of any direct or indirect holder of Equity Interests of Holdings or any Affiliate of any such holder of Equity Interests (each of the foregoing, but excluding any Agent or any Lender, a "***Management Fee Recipient***") or in respect of management, consulting, financial advisory, financing, underwriting or placement services or other investment banking activities provided by or on behalf of any Management Fee Recipient to or for the benefit, directly or indirectly, of any of Holdings or Holdings' Affiliates, whether payable, earned or otherwise provided for pursuant to a Management Agreement (howsoever denominated) or otherwise; *provided*, *however*, that Management Fees shall not include (i) any costs or expenses (including, without limitation, attorney's fees) incurred by, or any indemnities provided to, Sponsor and/or any of its Related Parties and (ii) any amounts accrued (or rights to present or future payments or amounts) but not actually paid.

"***Margin Stock***" shall have the meaning assigned to such term in Regulation U.

"***Material Adverse Effect***" shall mean (a) a materially adverse effect on and/or material adverse developments with respect to (i) the value of the Collateral (taken as a whole) or (ii) the business, operations, financial condition or properties of Holdings, the Borrower and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Borrower or the other Loan Parties, taken as a whole, to perform any of its or their obligations under any Loan Document to which it is or they are a party or (c) a material impairment of the rights and remedies, taken as a whole, of the Administrative Agent, the Collateral Agent and the Lenders under the Loan Documents (other than to the extent a result of the action or inaction of the Administrative Agent, the Collateral Agent, the Lenders, the other secured parties under the Loan Documents or their respective Related Parties).

"***Material Domestic Real Property***" shall mean any real property located in the United States with a fair market value in excess of $1,000,000.

"***Material Foreign Assets***" shall mean, (i) any foreign personal property (including, without limitation, any foreign registered Intellectual Property) of a Loan Party constituting Collateral with a

value as of any date of determination in excess of 10% of Consolidated Total Assets and (ii) Equity Interests of any direct Foreign Subsidiary of any Loan Party that is a Wholly-Owned Subsidiary constituting Collateral solely to the extent such Foreign Subsidiary generates revenue in an amount in excess of 10% of the total revenues of Holdings and its Subsidiaries on a consolidated basis.

"***Material Indebtedness***" shall mean Indebtedness (other than the Loans) of any one or more of Holdings, the Borrower or any Subsidiary in an aggregate principal amount exceeding $1,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Holdings, the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements to the extent that such agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time. For the avoidance of doubt, the Obligations shall not constitute Material Indebtedness.

"***Maturity Date***" shall mean September 25, 2018.

"***Maximum Rate***" shall have the meaning assigned to such term in Section 9.09.

"***Modification***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Moody's***" shall mean Moody's Investors Service, Inc., or any successor thereto.

"***Mortgaged Properties***" shall mean each parcel of owned real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12.

"***Mortgages***" shall mean the mortgages, deeds of trust, assignments of leases and rents, modifications and other security documents delivered with respect to Mortgaged Properties pursuant to Section 5.12, in each case, utilized as security for the Obligations, each reasonably acceptable in form and substance to the Administrative Agent and the Borrower.

"***Multiemployer Plan***" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA; (a) to which Borrower or any ERISA Affiliate making or accruing an obligation to make contributions; or (b) with respect to which Borrower could reasonably be expected to incur liability.

"***Net Asset Sale Proceeds***" shall mean the cash proceeds received by the Borrower or any of its Subsidiaries in respect of an Asset Sale (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received but excluding (for the avoidance of doubt) any issuance of Equity Interests mentioned in the proviso of the definition of "Asset Sale"), net of (a) actual and customary expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection with such sale), (b) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Asset Sale Proceeds) and (c) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset sold in such Asset Sale and that is required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset and other than Indebtedness hereunder).

"***Net Insurance/Condemnation Proceeds***" shall mean any net cash payments or net cash proceeds (after taking into account any fees, costs, expenses (including, without limitation, legal fees) and deductibles related thereto or incurred in connection therewith) received by the Borrower or any of its Subsidiaries (i) under any casualty insurance policy in respect of a covered loss of property thereunder or (ii) as a result of the taking of any assets of the Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain or condemnation pursuant to any law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any Person or any part thereof by any Governmental Authority, civil or military, in each case, net of (a) customary costs and expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection therewith) and (b) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset subject to such covered loss or taking and that is required to be repaid with such proceeds (other than Indebtedness hereunder).

"***Net Securities Proceeds***" shall mean the cash proceeds (net of customary underwriting discounts and commissions and other customary costs and expenses associated therewith, including customary legal fees and expenses and taxes) from the incurrence of Indebtedness by Holdings, the Borrower or any of its Subsidiaries.

"***Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***Notice of Borrowing***" shall have the meaning assigned to such term in Section 2.02(c).

"***Notice of Revolver Borrowing***" shall have the meaning assigned to such term in Section 2.02(d).

"***Notice of Intent to Cure***" shall have the meaning assigned to such term in Section 7.02(c).

"***Obligations***" shall mean all obligations of every nature of each Loan Party from time to time owed to the Administrative Agent, the Lenders or any of them under the Loan Documents, whether for principal, interest (including, without limitation, any PIK Interest and interest accruing after the commencement of any bankruptcy case or Insolvency Proceeding involving a Loan Party, whether or not such interest is an allowed claim in such case or proceeding), fees, premium, expenses, indemnification or otherwise.

"***OFAC***" shall have the meaning assigned to such term in Section 3.23.

"***OID***" shall have the meaning assigned to such term in Section ~~2.20.~~2.21(a).

"***Organizational Documents***" shall mean with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, operating agreement, partnership agreement or similar agreement or instrument governing the formation or operation of such Person.

"***Other Connection Taxes***" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Taxes***" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"***Participant Register***" shall have the meaning assigned to such term in Section 9.04(g).

"***Payment Office***" shall mean the office of the Administrative Agent located at 2951 28th Street, Suite 1000, Santa Monica, California 90405 or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"***PBGC***" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"***Perfection Certificate***" shall mean the Perfection Certificate substantially in the form of Exhibit B to the Guarantee and Collateral Agreement.

"***Permitted Acquisition***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Permitted Capital Lease Amount***" shall mean $2,500,000, provided, however that if the Increase Conditions are met, the Permitted Capital Lease Amount shall mean $5,000,000.

"***Permitted Founder Distributions***" shall mean amounts payable to Therese Tucker, an individual, pursuant to Section 6.9(h) of the Acquisition Agreement.

"***Permitted Holders***" shall mean, collectively, Sponsor and its Controlled Investment Affiliates.

"***Permitted Investments***" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed or insured by, the United States of America (or by any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, at least 95% of whose assets are invested in investments of the type described in clauses (a) through (d) above;

(f) demand deposit accounts maintained in the ordinary course of business; and

(g) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"***Permitted Non-Loan Party Investment Amount***" shall mean $5,000,000 provided, however that if the Increase Conditions are met, the Permitted Non-Loan Party Investment Amount shall mean $10,000,000.

"***Permitted Refinancing***" shall mean, with respect to any Person, any modification, refinancing, refunding, replacement, renewal or extension (each, a "***Modification***") of any Indebtedness of such Person (such Indebtedness prior to giving effect to such Modification, "***Subject Indebtedness***" and, after giving effect to such Modification, "***Refinancing Indebtedness***"); *provided* that (a) the principal amount thereof does not exceed the principal amount of such Subject Indebtedness except by an amount equal to unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred, in connection with such Modification and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing of Indebtedness permitted pursuant to Section 6.01(v) or Section 6.01(vi), such Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Subject Indebtedness, (c) to the extent such Subject Indebtedness is (i) subordinated in right of payment to the Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms, taken as a whole, at least as favorable to the Lenders in all material respects as those contained in the documentation governing the subordination of the Subject Indebtedness, (ii) secured by a junior permitted lien on the Collateral (or portion thereof), in the case of this clause (ii) such Refinancing Indebtedness shall be unsecured or secured by a junior permitted lien on the Collateral (or portion thereof) or (iii) unsecured, such Refinancing Indebtedness shall be unsecured, (d) such Modification does not provide for the granting or obtaining of collateral security from, or obtaining any lien on any assets of, any Person, other than collateral security obtained from Persons that provided (or were required to provide) collateral security with respect to such Subject Indebtedness (so long as the assets subject to such liens were or would have been required to secure such Subject Indebtedness) (provided that additional Persons that would have been required to provide collateral security with respect to such Subject Indebtedness may provide collateral security with respect to such Refinancing Indebtedness), (e) any such Refinancing Indebtedness shall be subject to intercreditor provisions (including lien subordination provisions if such Refinancing Indebtedness is secured by a lien on the Collateral the priority of which is contractually subordinated to the Liens on the Collateral securing the Obligations) which are no less favorable, taken as a whole, to the Secured Parties than those contained in such Subject Indebtedness or are otherwise reasonably acceptable to the Administrative Agent~~,~~ and (f) neither Holdings nor any of its Subsidiaries shall be an obligor or guarantor of any such Refinancing Indebtedness except to the extent that such Person was such an obligor or guarantor in respect of the Subject Indebtedness ~~and (g) with respect to any Subject Indebtedness concerning the Revolving Loans, the Modification thereof is permitted under the Intercreditor Agreement~~.

"***Permitted Restricted Payment Amount***" shall mean $500,000 provided, however that if the Increase Conditions are met, the Permitted Restricted Payment Amount shall mean $1,000,000.

"***Permitted Tax Distributions***" shall mean for each tax year (or portion thereof) that the Borrower is a corporation for U.S. federal income tax purposes and is a member of an affiliated group filing consolidated or combined returns of which it is not the common parent, the direct or indirect payment by the Borrower to the common parent of such group of the consolidated or combined federal, state and local income Taxes payable by the common parent for such group; *provided* that the amount of such payments in any taxable year (or portion thereof) does not exceed the amount that Holdings and its Subsidiaries would be required to pay in respect of U.S. federal, state and local income Taxes for such

taxable year (or portion thereof) were Holdings and its Subsidiaries to file as part of a consolidated or combined group for income tax purposes; *provided further* that any amounts paid solely with respect to Holdings shall be attributable to operations or actions of Holdings that are permitted by Section 6.13.

"***Person***" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

"*PIK Interest*" shall have the meaning assigned to such term in Section 2.06(~~a~~b).

"***Plan***" shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by Borrower or any ERISA Affiliate or with respect to which Borrower could reasonably be expected to incur liability (including on account of an ERISA Affiliate).

"***Prime Rate***" means, for any day, the rate of interest in effect for such day that is identified and normally published by The Wall Street Journal as the "Prime Rate" (or, if more than one rate is published as the Prime Rate, then the highest of such rates), with any change in Prime Rate to become effective as of the date the rate of interest which is so identified as the "Prime Rate" is different from that published on the preceding Business Day. If The Wall Street Journal no longer reports the Prime Rate, or if the Prime Rate no longer exists, or the Administrative Agent determines in good faith that the rate so reported no longer accurately reflects an accurate determination of the prevailing Prime Rate, then the Administrative Agent may select a reasonably comparable index or source to use as the basis for the Prime Rate.

"***Qualified Capital Stock***" of any Person shall mean any Equity Interest of such Person that is not Disqualified Stock.

"***Recipient***" shall mean (a) the Administrative Agent and (b) any Lender, as applicable.

"***Refinancing Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Register***" shall have the meaning assigned to such term in Section 9.04(d).

"***Regulation T***" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Related Documents***" shall mean, collectively, the Warrants and the Warrant Agreement.

"***Related Fund***" shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"***Related Parties***" shall mean, with respect to any specified Person, such Person's Controlled Affiliates and the respective directors, trustees, officers, employees, agents, attorneys, representatives and advisors of such Person and such Person's Controlled Affiliates; *provided* that an agent of a sub-agent shall not be a Related Party, unless (i) such agent is appointed as a sub-agent by an Agent in accordance with Article VIII, or (ii) such agent is appointed or retained by, or at the direction of, the Required Lenders.

"***Release***" shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

"***Required Lenders***" shall mean, at any time, Lenders having Loans and Commitments representing more than 50% of the sum of all Loans and Commitments at such time.

"***Required RL Lenders***" shall mean, at any time, Lenders the sum of whose outstanding Revolving Loan Commitments at such time (or, after the termination thereof, outstanding Revolving Loans) represent more than 50% of the Total Revolving Loan Commitment in effect at such time (or, after the termination thereof, the sum of then total outstanding Revolving Loans).

"***Responsible Officer***" of any Person shall mean any executive officer (including, without limitation, the president, any vice president, secretary and assistant secretary), or Financial Officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"***Restricted Payment***" shall mean (i) any cash dividend or other cash distribution with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary and (ii) any cash payment, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary.

~~"***Revolving Agent***" shall mean the agent for the Revolving Loan Lenders under the Revolving Loan Agreement.~~

~~"***Revolving Loan Agreement***" shall mean a revolving loan agreement to be entered into among the Loan Parties and lenders (and agents, if any) reasonably acceptable to the Administrative Agent and on terms and conditions reasonably satisfactory to the Administrative Agent (it being understood and agreed that representations, warranties, covenants, events of default or other terms or provisions that are substantially similar to those in this Agreement are acceptable and satisfactory to the Administrative Agent), subject to the terms of the Intercreditor Agreement and with aggregate commitments thereunder not to exceed $5,000,000 which commitments may be increased up to $10,000,000, so long as at the time of such increase, the Increase Conditions are satisfied.~~

~~"***Revolving Loan Documents***" shall mean the loan documents entered into in connection with the Revolving Loan Agreement as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the Intercreditor Agreement or any Permitted Refinancing thereof.~~

~~"***Revolving Loan Lenders***" shall mean the lenders under the Revolving Loan Agreement.~~

~~"***Revolving Loans***" shall mean the loans made pursuant to the Revolving Loan Agreement or any loans under any Permitted Refinancing thereof.~~

"***Revolving Loan***" shall have the meaning assigned to such term in Section 2.01(c).

"***Revolving Loan Commitment***" shall mean, for each Lender, the amount set forth opposite such Lender's name in Schedule 2.01 directly below the column entitled "Revolving Loan Commitment", as same may be (x) reduced from time to time or terminated pursuant to Section 2.11, Section 2.19 or Article VII, or (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.18 or Section 9.04(b). The initial aggregate amount of the Lenders' Revolving Loan Commitments is $5,000,000.

"***Revolving Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***RL Lender***" shall mean each Lender with a Revolving Loan Commitment or with outstanding Revolving Loans.

"***RL Percentage***" of any RL Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Revolving Loan Commitment of such RL Lender at such time and the denominator of which is the Total Revolving Loan Commitment at such time, *provided* that if the RL Percentage of any RL Lender is to be determined after the Total Revolving Loan Commitment has been terminated, then the RL Percentages of such RL Lender shall be determined immediately prior (and without giving effect) to such termination.

"***S&P***" shall mean Standard & Poor's Ratings Service, or any successor thereto.

"***SEC***" shall mean the Securities and Exchange Commission or any other similar or successor agency of the Federal government administering the Securities Act.

"***Second Amendment"*** shall mean that certain Second Amendment and Waiver to Credit Agreement dated as of the Second Amendment Effective Date by and among Borrower, Holdings, the Initial Term Loan Lenders party thereto, the 2016 Term Loan Lenders party thereto, the RL Lenders party thereto, the Administrative Agent and the Collateral Agent.

"***Second Amendment Effective Date***" shall mean March 22, 2016.

"***Secured Parties***" shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

"***Securities Account***" is defined in the UCC.

"***Securities Act***" shall mean the Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

"***Security Documents***" shall mean the Guarantee and Collateral Agreement, Control Agreements, the Mortgages (if any) and each of the security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12 and utilized to pledge or grant a security interest or Lien on any property as collateral for the Obligations.

"***SPC***" shall have the meaning assigned to such term in Section 9.04(j).

"***Sponsor***" shall mean Silver Lake Sumeru Fund, L.P.

"***Subject Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

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"***Subordinated Indebtedness***" shall mean any Indebtedness of a Loan Party ~~(other than, to the extent then in effect, any Revolving Loans or any other obligations under the Revolving Loan Documents)~~ incurred from time to time and subordinated in right of payment to the Obligations and subject to a subordination agreement in form and substance reasonably satisfactory to the Administrative Agent.

"***Subsidiary***" shall mean, with respect to any Person (herein referred to as the "***parent***"), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of Holdings.

"***Subsidiary Guarantor***" shall mean, on the Closing Date, each Subsidiary of the Borrower listed on Schedule 1.01(a), and thereafter each wholly-owned Domestic Subsidiary that is or becomes a party to the Guarantee and Collateral Agreement or otherwise provides a guarantee in respect of the Obligations.

"***Synthetic Lease***" shall mean, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is accounted for as an operating lease under GAAP but which, upon the application of any insolvency or bankruptcy laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment) and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"***Synthetic Lease Obligations***" shall mean, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such Person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

"***Tax Returns***" shall mean (i) all returns, declarations, reports, schedules or information return or statement of, or with respect to, Taxes required to be filed with any Governmental Authority or depository and (ii) Form TD F 90-22.1.

"***Taxes***" shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Date***" shall have the meaning assigned to such term in Section 3.13.

"***Terrorism Order***" shall have the meaning assigned to such term in Section 3.25.

"***Term Loans***" shall mean the Initial Term Loans, the 2016 Term Loans and any Incremental Loans, in each case, that have been funded.

"***Term Loan Commitment***" shall mean, with respect to each Term Loan Lender, (a) its Initial Term Loan Commitment, (b) its 2016 Term Loan Commitment or (c) to the extent actually committed, any necessary approvals thereof have been received and such Term Loan Lender is bound to fund such Incremental Loans pursuant to the terms hereunder, its Incremental Commitment.

"***Term Loan Lender***" shall mean each Lender with a Term Loan Commitment or with outstanding Term Loans.

"***Term Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***Total Revolving Loan Commitment***" shall mean, at any time, the sum of the Revolving Loan Commitments of each of the RL Lenders at such time.

"***Total Unutilized Revolving Loan Commitment***" shall mean, at any time, an amount equal to the remainder of (x) the Total Revolving Loan Commitment in effect at such time less (y) the aggregate principal amount of all Revolving Loans outstanding at such time.

"***Tranche***" shall mean (a) the Revolving Loans, (b) the Initial Term Loans, (c) the 2016 Term Loans and (~~b~~d) the Incremental Loans.

"***Transactions***" shall mean, collectively, the transactions to occur pursuant to the Loan Documents, including (a) the execution and delivery of the Loan Documents and the making of the borrowings hereunder; (b) the Existing Debt Refinancing; and (c) the payment of related fees, costs and expenses (including, without limitation, attorney's fees).

"***UCC***" shall mean the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the issue of perfection of security interests.

"***Unrestricted Cash and Permitted Investments***" of any Person, shall mean cash or Permitted Investments of such Person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such Person, (b) that are not contractually required, and have not been contractually committed by such Person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the Organizational Documents of such Person, (iii) any order of any Governmental Authority or (iv) any contractual restriction (including the terms of any Equity Interests), in each case of (i) through (iv), preventing such cash or Permitted Investments, as applicable, from being applied to the payment of the Obligations ~~(other than with respect to any restrictions under the Intercreditor Agreement or the Revolving Loan Agreement)~~, (d) in which no Person other than the Collateral Agent has a Lien, other than ~~the Revolving Agent (to the extent applicable) and~~ the depository institution or securities intermediary at where such cash or Permitted Investments are maintained (to the extent permitted under Section 6.02(xi)), and (e) that are held in a Deposit Account or Securities Account, as applicable, in which the Collateral Agent has a valid and enforceable security interest, perfected by "control" (within the meaning of the applicable Uniform Commercial Code) ~~(or the Revolving Agent has "control" for both the Revolving Agent and the Collateral Agent pursuant to the terms of the Intercreditor Agreement)~~; *provided* for the ninety (90) day period following the Closing Date (or such longer period as the Administrative Agent may agree in its reasonable discretion), such Unrestricted Cash and Permitted Investments shall not be required to be subject to "control" in favor of the Collateral Agent.

"***Unutilized Revolving Loan Commitment***" shall mean, with respect to any RL Lender at any time, such RL Lender's Revolving Loan Commitment at such time less the aggregate outstanding principal amount of all Revolving Loans made by such RL Lender at such time.

"***U.S. Person***" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" shall have the meaning assigned to such term in Section 2.17(f)(ii)(B)(iii).

"***USA PATRIOT Act***" shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"***Warrant Agreement***" shall mean the agreement to purchase up to a certain amount of Equity Interests of SLS Breeze Holdings, Inc., dated the date hereof, executed by SLS Breeze Holdings, Inc. in order to issue the Warrants in the form of Exhibit H.

"***Warrants***" shall mean the warrants, in the form of Exhibit I, issued by SLS Breeze Holdings, Inc. in favor of each Person that was a Lender on the Closing Date.

"***Weighted Average Life to Maturity***" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"***Wholly Owned Subsidiary***" of any Person shall mean a Subsidiary of such Person of which securities (except for (i) directors' qualifying shares or (ii) in the case of Foreign Subsidiaries, nominal shares required by law to be owned by a resident of the relevant jurisdiction) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"***Withdrawal Liability***" shall mean liability of any Loan Party or any ERISA Affiliate to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"***Withholding Agent***" means any Loan Party and the Administrative Agent.

"***Yield Enhancement Fee***" shall have the meaning assigned to such term in Section 2.05(~~a~~b).

SECTION 1.02. ***Terms Generally***. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document or any other documents shall mean such document as amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited or restricted hereunder and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided*, *however*, that (x) any obligations of a Person under a lease (whether existing now or entered into in the future) that is not (or would not be) a Capital Lease Obligation under GAAP as in

effect on the Closing Date shall not be treated as a Capital Lease Obligation solely as a result of the adoption of changes in GAAP and (y) if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant and the Administrative Agent consents (such consent not to be unreasonably withheld, delayed or conditioned) in writing (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI or any related definition for such purpose and the Borrower consents in writing (such consent not to be unreasonably withheld, delayed or conditioned)), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective and the Borrower shall provide to the Administrative Agent and the Lenders the reconciliation statements provided for in Section 5.04, until either such notice is withdrawn or such covenant is amended in a manner reasonably satisfactory to the Borrower and the Required Lenders. The term "enforceability" and its derivatives when used to describe the enforceability of an agreement shall mean that such agreement is enforceable except as enforceability may be limited by any insolvency, bankruptcy or debtor relief law and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). Any terms used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

SECTION 1.03. ***Independence of Covenants***. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted as an exception to, or would otherwise be within the limitations of, another covenants shall not avoid the occurrence of an Event of Default or Default of such action is taken or condition exists.

SECTION 1.04. ***Deliveries***. Notwithstanding anything herein to the contrary, whenever any document, agreement or other item is required by any Loan Document to be delivered on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

SECTION 1.05. ***Construction***. Each of the parties hereto acknowledges that (i) it has been represented by counsel in the negotiation and documentation of the terms of this Agreement, (ii) it has had full and fair opportunity to review and revise the terms of this Agreement, (iii) this Agreement has been drafted jointly by all of the parties hereto, and (iv) no Lender has any fiduciary relationship with or duty to Holdings, the Borrower or any of its Subsidiaries arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lenders, on the one hand, and Holdings, the Borrower and its Subsidiaries, on the other hand, in connection herewith or therewith is solely that of debtor and creditor in respect of the Indebtedness represented hereby. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

SECTION 1.06. ***Certain Pro Forma Calculations***.

(a) For purposes of pro forma calculations of the Consolidated Leverage Ratio under Section ~~2.22~~2.01(b), Section 2.23 and Section 6.04(vii), Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments and Asset Sales or other dispositions permitted hereunder (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if any such Permitted Acquisition or other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

(b) For purposes of calculations of the Consolidated Leverage Ratio under Section 6.10, Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments permitted hereunder funded (in whole or in part) with the proceeds of Incremental Loans, 2016 Term Loans, Revolving Loans or ~~with respect to proceeds of~~ cash common or preferred equity contributions to Holdings or issuance of Equity Interests by Holdings (other than Disqualified Stock) and Asset Sales or other dispositions (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if such Permitted Acquisition or such other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

SECTION 1.07. ***Certain Increased Amounts***. Notwithstanding anything to the contrary herein, to the extent any increased amount of (i) Indebtedness is incurred in respect of the Permitted Capital Lease Amount, (ii) Investments are made in respect of the Permitted Non-Loan Party Investment Amount or (iii) Restricted Payments are made in respect of the Permitted Restricted Payment Amount, in each case, as of a date on which the Increase Conditions are satisfied (or, in each case, pursuant to a binding commitment entered into with a Person (other than an Affiliate of a Loan Party) as of a date on which the Increase Conditions were satisfied), and after such date the Increase Conditions cease to be satisfied, such increased amount so incurred or made (or that was committed to be incurred or made) shall not constitute an Event of Default hereunder; *provided*, that, so long as such Increase Conditions are not so satisfied, no additional amounts may be incurred or made (other than those amounts that were committed to be incurred or made when the Increase Conditions were satisfied).

ARTICLE II

The Credits

SECTION 2.01. ***Commitments***.

(a) ~~.~~Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Initial Term Loan Lender ~~agrees~~with an Initial Term Loan Commitment, severally and not jointly, ~~to make a~~made an Initial Term Loan to the Borrower on the Closing Date in a principal amount equal to its Initial Term Loan Commitment at a purchase price of 100.0% of par. The Borrower may make only one borrowing of Initial Term Loans. Amounts paid or prepaid in respect of Initial Term Loans may not be reborrowed.

(b) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each 2016 Term Loan Lender with a 2016 Term Loan Commitment agrees, severally and not jointly, to make 2016 Term Loans to the Borrower on the Second Amendment Effective Date in a principal amount equal to its 2016 Term Loan Commitment at a purchase price of 100.0% of par; *provided*, (I) no Default or Event of Default shall have occurred and be continuing under any of the Loan Documents; (II) each of the representations and warranties set forth in Article III shall remain true and correct in all material respects (without duplication of any materiality qualifiers contained therein); (III) the Consolidated Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be) delivered pursuant to Sections 5.04 (a) or (b) and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00 and (IV) the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.02(c). The Borrower may make only one borrowing of 2016 Term Loans. The 2016 Term Loans (i) shall be denominated in Dollars, (ii) subject to Section 2.10 and Section 2.11, once borrowed and subsequently repaid or prepaid may not be reborrowed and (iii) shall not exceed for any such 2016 Term Loan Lender

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at any time outstanding that aggregate principal amount (excluding PIK Interest that has been capitalized and added to the principal amount) that, when added to the principal amount of such 2016 Term Loan Lender's outstanding 2016 Term Loans, exceeds the 2016 Term Loan Commitment of such 2016 Term Loan Lender at such time.

(c) Subject to and upon the terms and conditions set forth herein, each RL Lender with a Revolving Loan Commitment severally agrees to make, at any time and from time to time after the Second Amendment Effective Date and prior to the Maturity Date (the "***Availability Period***"), a revolving loan or revolving loans (each, a "***Revolving Loan***" and, collectively, "***Revolving Loans***") to the Borrower, which Revolving Loans (i) shall be denominated in Dollars, (ii) may be repaid and reborrowed in accordance with the provisions hereof, and (iii) shall not exceed for any such RL Lender at any time outstanding that aggregate principal amount that, when added to the principal amount of such RL Lender's outstanding Revolving Loans, exceeds the Revolving Loan Commitment of such RL Lender at such time.

SECTION 2.02. ***Loans; Notice of Borrowing***.

(a) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(b) Each Initial Term Loan Lender shall make the Initial Term Loan to be made by it hereunder on the Closing Date by wire transfer of immediately available funds to such account as the Borrower may designate not later than 2:00 p.m., Pacific time.

(c) The Borrower shall give the Administrative Agent at least one (1) Business Day's prior notice (unless waived by the Administrative Agent in its reasonable discretion) of its request to incur 2016 Term Loans hereunder, *provided* that any such notice shall be deemed to have been given on a certain day only if given before 1:00 p.m. (Pacific time) on such day. Such notice (the "***Notice of Borrowing***") shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A, appropriately completed to specify: (i) the aggregate principal amount of the 2016 Term Loan to be incurred and (ii) the date of such borrowing (which shall be (x) a Business Day and (y) the ~~Closing~~Second Amendment Effective Date). The Administrative Agent shall promptly give each 2016 Term Loan Lender, notice of such proposed borrowing, of such 2016 Term Loan Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

(d) Whenever the Borrower desires to incur Revolving Loans, the Borrower shall give the Administrative Agent at least three Business Days' prior notice (unless waived by the Administrative Agent in its reasonable discretion) of its request to incur Revolving Loans hereunder, *provided* that any such notice shall be deemed to have been given on a certain day only if given before 1:00 p.m. (Pacific time) on such day. Such notice (the "***Notice of Revolver Borrowing***") shall be irrevocable (unless such notice provides that such request is contingent on the consummation of a transaction (which transaction shall be described in reasonable detail in such notice), in which case, such notice shall be revocable to the extent the transaction is not consummated on the date such Revolving Loan is requested to be made) and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A-1, appropriately completed to specify: (i) the aggregate principal amount of the Revolving Loan to be incurred pursuant to such borrowing (which shall be in an amount that is an integral multiple of $100,000 and not less than $500,000 (in each case, unless the remaining Total Unutilized Revolving Loan Commitments is less than such amount)) and (ii) the date of such borrowing (which shall be a Business Day; *provided, however*, the Borrower shall be entitled to make no more than one request for a

Revolving Loan per calendar week). The Administrative Agent shall promptly give each RL Lender, notice of such proposed borrowing, of such RL Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Revolver Borrowing.

(e) ~~(d)~~ Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice of any borrowing or prepayment of Loans, the Administrative Agent may act without liability upon the basis of telephonic notice of such borrowing, as the case may be, believed by the Administrative Agent in good faith to be from the Borrower, prior to receipt of written confirmation. In each such case, unless a written notice of such borrowing request has thereafter been provided by the Borrower ~~hereby waives the right to dispute~~, the Administrative Agent's record of the terms of such telephonic notice of such borrowing of Loans shall be prima facie evidence of their correctness, as the case may be, absent manifest error.

SECTION 2.03. ***Disbursement of Funds***.

No later than 2:00 P.M. (Pacific time) on (i) the Closing Date, each Initial Term Loan Lender will make available its pro rata portion (determined based upon its Initial Term Loan Commitment) of the borrowing ~~requested to be made~~of Initial Term Loans requested to be made, (ii) the Second Amendment Effective Date, each 2016 Term Loan Lender will make available its pro rata portion (determined based upon its 2016 Term Loan Commitment) of the borrowing of 2016 Term Loans requested to be made and (iii) the date specified in each Notice of Revolver Borrowing, each RL Lender will make available its pro rata portion (determined based upon its RL Commitment) of each such borrowing of Revolving Loans requested to be made on such date. All such amounts will be made available in Dollars and in immediately available funds at the Payment Office, and the Administrative Agent will make available to the Borrower at the Payment Office the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the ~~Closing Date~~date of borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any borrowing to be made on ~~the Closing Date~~such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on ~~the Closing Date~~such date of borrowing and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly pay such corresponding amount to the Administrative Agent. The Administrative Agent shall be entitled to recover on demand from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Lender, the overnight Federal Funds Effective Rate for the first three days and at the interest rate otherwise applicable to such Loans for each day thereafter and (ii) if recovered from the Borrower, the rate of interest applicable to the respective borrowing, as determined pursuant to Section 2.06. Nothing in this Section 2.03 shall be deemed to relieve any Lender from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Loans hereunder. This Section 2.03 is subject to Section ~~2.19.~~2.20.

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SECTION 2.04. ***Evidence of Debt; Repayment of Loans***.

(a) The Borrower hereby unconditionally promises to pay to each Lender the principal amount of each Loan of such Lender as provided in Section 2.09.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The entries made in the accounts maintained pursuant to paragraph (b) above shall be *prima facie* evidence absent manifest error of the existence and amounts of the obligations therein recorded; *provided*, *however*, that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(d) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 9.04(d) and shall, if requested by such Lender, also be evidenced (i) in the case of Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B, with blanks appropriately completed in conformity herewith (each a "***Term Note***" and, collectively, the "~~***Notes***~~***Term Notes***") and (ii) in the case of Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1, with blanks appropriately completed in conformity herewith (each a "***Revolving Note***", collectively, the "***Revolving Notes***" and together with the Term Notes, the "***Notes***"; provided that with respect to any Note issued prior to the Second Amendment Effective Date, all references to "Notes" therein shall be deemed to refer exclusively to Term Notes evidencing Initial Term Loans). To the extent of any conflict between the Register and the entries made in the accounts maintained pursuant to paragraph (b) above, the entries made in the Register shall control.

(e) Notwithstanding anything to the contrary contained above in this Section 2.04 or elsewhere in this Agreement, Notes shall only be delivered to Lenders that at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Loans to the Borrower shall affect or in any manner impair the obligations of the Borrower to pay the Loans (and all related Obligations) incurred by the Borrower that would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the Loan Documents. Any Lender that does not have a Note evidencing its outstanding Loans shall in no event be required to make the notations otherwise described in preceding clause (b). At any time when any Lender requests the delivery of a Note to evidence any of its Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Loans; *provided* that, to the extent a Note was previously delivered to such Lender but such Lender has since lost or misplaced such Note or the Note cannot otherwise be found, such Lender shall execute and deliver to the Borrower a customary lost note affidavit in form and substance reasonably satisfactory to the Borrower and such Lender.

SECTION 2.05. ***Fees***.

(a) The Borrower agrees to pay to the Administrative Agent for distribution to the applicable RL Lenders (based on their pro rata share of such average daily Unutilized Revolving Loan Commitments held for the applicable period) a commitment fee (the "***Commitment Fee***") for the period from and including the Second Amendment Effective Date to (but not including) the Maturity Date (or

such earlier date on which the Total Revolving Loan Commitment has been terminated) computed at a rate per annum equal to 0.5% of the average daily Unutilized Revolving Loan Commitment of such RL Lender as in effect from time to time. Accrued Commitment Fees shall be due and payable quarterly in arrears on each Interest Payment Date and, to the extent such date is not also an Interest Payment Date, on the date upon which the Total Revolving Loan Commitment is terminated.

(b) ~~(a) The Borrower agrees to pay to the Administrative Agent for distribution to each~~The Borrower agrees to pay to the Administrative Agent for distribution to each 2016 Term Loan Lender a yield enhancement fee (the "***Yield Enhancement Fee***") on the ~~Closing~~Second Amendment Effective Date equal to 2.0% of the aggregate 2016 Term Loan Commitments (to the extent the 2016 Term Loan related to such 2016 Term Loan Commitments are outstanding on the ~~Closing~~Second Amendment Effective Date).

(c) ~~(b)~~ All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent or the Lenders, as applicable. Once paid, to the extent the Loans related to such Fees are actually funded in accordance with the Loan Documents, none of the Fees shall be refundable under any circumstances or subject to any right of setoff, counterclaim or any similar right (each of which is hereby waived by Holdings and the Borrower).

SECTION 2.06. ***Interest on Loans***.

(a) Subject to the provisions of Section 2.07, Revolving Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the sum of the Libor Rate plus 6.0% per annum (or, to the extent the Administrative Agent shall have delivered a LIBOR Unavailability Notice to the Borrower and the Lenders pursuant to Section 2.12(e), the Alternate Base Rate plus 5.0% per annum).

(b) ~~(a) Subject to the provisions of Section 2.07, the~~Subject to the provisions of Section 2.07, the Initial Term Loans and the 2016 Term Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the sum of the Libor Rate plus 8.0% per annum (or, to the extent the Administrative Agent shall have delivered a LIBOR Unavailability Notice to the Borrower and the Lenders pursuant to Section 2.12(e), the Alternate Base Rate plus 7.0% per annum); *provided*, *however*, the Borrower may elect to pay, in kind, a portion of such accrued and unpaid interest (any such interest paid in kind, the "***PIK Interest***") due on any Interest Payment Date up to the maximum percentage set forth in the table below opposite the relevant period in which such Interest Payment Date occurs of the total accrued and unpaid interest payable on such Interest Payment Date; it being deemed that the Borrower has elected the maximum PIK Interest for each period during the term of this Agreement unless the Borrower shall have delivered a certificate executed by a Responsible Officer of the Borrower to the Administrative Agent certifying that the Borrower has elected to pay interest with respect to the applicable Initial Term Loans or 2016 Term Loans for the applicable period then ending (i) in such lesser percentage of PIK Interest and specifying the amount of such PIK Interest or (ii) in cash only. To change the type of payment of interest for any period, such officer's certificate must be delivered to the Administrative Agent at least 5 Business Days prior to the applicable Interest Payment Date for such period. The Borrower may specify in such officer's certificate whether such change in the type of payment of interest is just for a specific period or shall be applicable to all future periods during the term of the Agreement until another officer's certificate is delivered specifying a different type of payment of interest for a period or periods.

Period	*Maximum Percentage of Total Interest That May be Paid In Kind*
From and after the Closing Date to and including the second anniversary of the Closing Date	**80.0%**
After the second anniversary of the Closing Date to and including the third anniversary of the Closing Date	**70.0%**
After the third anniversary of the Closing Date	**60.0%**

All interest due and payable hereunder that the Borrower elects to pay in the form of PIK Interest shall be capitalized, added to the then-outstanding principal amount of the applicable Initial Term Loans or 2016 Term Loans as additional principal obligations hereunder on and as of such Interest Payment Date and shall automatically constitute a part of the outstanding principal amount of ~~the~~such Initial Term Loans or 2016 Term Loans for all purposes hereof (including the accrual of interest thereon at the rates applicable to the Initial Term Loans or 2016 Term Loans generally). Any determination of the principal amount outstanding under the Initial Term Loans or 2016 Term Loans after giving effect to any payment of PIK Interest hereunder or otherwise that is reasonably made by the Administrative Agent or the Lenders in good faith shall be prima facie evidence of the correctness of such determination in the absence of manifest error.

(c) ~~(b)~~ Interest on each Loan shall be payable on the Interest Payment Dates except as otherwise provided in this Agreement. Interest on each Loan shall be paid in cash except as otherwise provided in this Agreement.

SECTION 2.07. ***Default Interest***. Upon the occurrence and during the continuation of any Event of Default, the outstanding principal amount of all Loans and, to the extent permitted by applicable law, any interest payments thereon not paid when due and any fees and other amounts then due and payable hereunder, shall thereafter, automatically in the case of an Event of Default under Sections 7.01(a), (g) or (h) and at the written election of the Administrative Agent (acting at the written direction of the Required Lenders) otherwise (it being understood that such election may apply retroactively to the date such other Event of Default occurred), bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable upon written demand at the rate otherwise applicable to ~~a~~such Loan pursuant to Section 2.06~~(a)~~ plus 2.0% per annum. Payment or acceptance of the increased rates of interest provided for in this Section 2.07 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 2.08. ***Termination of Commitments***.

(a) ~~.~~ The Initial Term Loan Commitments shall automatically terminate upon the making of the Initial Term Loans on the Closing Date.

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(b) The 2016 Term Loan Commitment shall automatically terminate upon the making of the 2016 Term Loans on the Second Amendment Effective Date.

(c) The Total Revolving Loan Commitment shall terminate in its entirety upon the Maturity Date.

SECTION 2.09. ***Repayment of Loans***.

To the extent not previously paid, all Loans shall be due and payable on the Maturity Date (or, if such day is not a Business Day, on the next succeeding Business Day), in immediately available funds, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

SECTION 2.10. ***Optional Prepayment***.

(a) ~~The~~(i) Subject to Section 2.11(j), the Borrower shall have the right at any time and from time to time to prepay ~~any of the Loans and other Obligations~~the Term Loans (which shall be applicable towards the outstanding Initial Term Loans and 2016 Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis), in whole or in part, at 100% of the principal amount so prepaid, plus ~~the prepayment premium (expressed as percentages of principal amount) set forth below (the "~~, with respect to the Initial Term Loans and the 2016 Term Loans only (but such Applicable Prepayment Premium~~") determined for the prepayment date with respect to such principal amount to the applicable prepayment date~~ shall not apply to any Incremental Loans), the Applicable Prepayment Premium in respect of the principal amount so prepaid (*provided*, *however*, that each partial prepayment shall be in ~~an~~a principal amount that is an integral multiple of $500,000 and not less than $1,000,000, in each case, unless the remaining outstanding amount of the Initial Term Loans or the 2016 Term Loans, as applicable, is less than such amount)~~:~~.

~~*If Prepaid:*~~	~~*Percentage of the Principal*~~
~~From and after the Closing Date to but not including the second anniversary of the Closing Date~~	~~3.0%~~
~~From and after the second anniversary of the Closing Date to but not including the third anniversary of the Closing Date~~	~~1.0%~~
~~From and after the third anniversary of the Closing Date~~	~~0%~~

(ii) The Borrower shall have the right at any time and from time to time to prepay all or any portion of Revolving Loans or other Obligations (other than the Term Loans, which are covered by Section 2.10(a)(i) above), without premium or penalty; *provided*, *however*, that (x) each partial prepayment of the Revolving Loans shall be in an amount that is an integral multiple of $50,000 and not

less than $100,000 (in each case, unless the remaining outstanding amount of Revolving Loans is less than such amount) and (y) the Borrower shall give the Administrative Agent one Business Day's prior written notice of such prepayment of the Revolving Loans; *provided* that such notice may be contingent on the satisfaction of certain conditions set forth therein, and such notice shall be deemed revoked if the conditions set forth therein are not satisfied within the time periods set forth in such notice for the satisfaction thereof (or are waived in writing by the Borrower).

(b) The Borrower will give at least 3 Business Days' prior written notice of each optional prepayment of the Term Loans under this Section 2.10 to the Administrative Agent. Each such notice shall specify the prepayment date, the aggregate principal amount of the Term Loans to be prepaid on such date, and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and, solely to the extent any such prepayment is made prior to the third anniversary of the Closing Date, shall be accompanied by a certificate of a Financial Officer of the Borrower as to the estimated Applicable Prepayment Premium due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Such notice shall be irrevocable and shall commit the Borrower to prepay the Term Loans by the amount stated therein on the date stated therein; *provided* that such notice may be contingent on the satisfaction of certain conditions set forth therein, and such notice shall be deemed revoked if the conditions set forth therein are not satisfied within the time periods set forth in such notice for the satisfaction thereof (or are waived in writing by the Borrower). All prepayments under this Section 2.10 shall be subject to Section 2.13. All prepayments under this Section 2.10 shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment, but, for the avoidance of doubt, no Applicable Prepayment Premium shall be paid or due (i) on any interest (other than, for the avoidance of doubt, PIK Interest on the Initial Term Loans and the 2016 Term Loans that has been capitalized and added to principal of such Initial Term Loans or 2016 Term Loans, as applicable) or amounts other than the principal amount of the Initial Term Loans or 2016 Term Loans so prepaid ~~or~~, (ii) on the proceeds of a Cure Contribution or Cure Securities that are used to prepay the Loans~~. Each~~, (iii) on any principal of, or other amounts related to, the Revolving Loans in accordance with Section 2.10(a)(ii) or Incremental Loans or (iv) on any Revolving Loan Commitments, 2016 Term Loan Commitments or Incremental Commitments that are reduced or terminated. Subject to Section 2.11(j), each prepayment pursuant to this Section 2.10 in respect of the ~~Loans~~Initial Term Loans and the 2016 Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) shall be applied *pro rata* among such Term Loans.

(c) Notwithstanding anything herein to the contrary, the Borrower shall repay in full, without penalty or premium, all Revolving Loans, together with all accrued and unpaid interest thereon, and the Revolving Loan Commitments of all RL Lenders shall automatically terminate and be reduced to zero, in each case, on the date of any repayment or prepayment (optional, mandatory or otherwise) of all of the Term Loans in full.

SECTION 2.11. ***Mandatory Prepayments***.

(a) ***Revolving Loans in Excess of Commitments***. On any day on which the sum of the aggregate outstanding principal amount of all Revolving Loans (after giving effect to all other repayments thereof on such date) exceeds the Total Revolving Loan Commitment, the Borrower shall prepay on such day (or if such day is not a Business Day, on the next Business Day) the principal of Revolving Loans in an amount equal to such excess.

(b) ~~(a)~~ ***Net Asset Sale Proceeds***. Not later than the tenth Business Day following the receipt of Net Asset Sale Proceeds by the Borrower or any of its Subsidiaries, the Borrower shall either (1) apply an amount equal to 100% of the Net Asset Sale Proceeds received with respect thereto to prepay

outstanding ~~Loans~~Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) in accordance with ~~Section 2.11(e) and~~ Section 2.11(f) and Section 2.11(g) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) or (2) so long as no Event of Default shall have occurred and be continuing, deliver to the Administrative Agent a certificate of a Responsible Officer stating that the Borrower or such Subsidiary intends to reinvest or enter into a binding commitment to reinvest such Net Asset Sale Proceeds in assets used or that are useful in the business of the Borrower and its Subsidiaries within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, within 405 days) of such date of receipt of such Net Asset Sale Proceeds. In addition, the Borrower shall, no later than 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) after receipt of such Net Asset Sale Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the ~~Loans~~Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and/or, to the extent required by Section 2.11(j), make a permanent repayment of the Revolving Loans (with a corresponding permanent reduction of the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in an amount equal to the full amount of all such Net Asset Sale Proceeds in accordance with ~~Section 2.11(e) and~~ Section 2.11(f) and Section 2.11(g) (and, to the extent applicable, Section 2.11(j)) within ten Business Days after the last day of the 270 or 405 day period, as applicable. ~~Notwithstanding anything to the contrary herein, with respect to the Disposition of any Revolving Loan Priority Collateral, the Borrower's obligation to prepay the Loans under this Section 2.11(a) shall be deemed satisfied to the extent that the amount that would otherwise be required to be used to prepay the Loans under this Section 2.11(a) is (y) required to be applied and is in fact applied to prepay the loans (but without requiring any permanent reduction of the commitments under the Revolving Loan Agreement) within the time period required by the terms of the Revolving Loan Agreement (including any grace period provided in connection therewith) or (z) reinvested in the business of the Borrower and its Subsidiaries pursuant to the terms of the Revolving Loan Agreement.~~

(c) ~~(b)~~ ***Net Insurance/Condemnation Proceeds***. No later than the tenth Business Day following the date of receipt by the Borrower or any of its Subsidiaries of any Net Insurance/Condemnation Proceeds in excess of $500,000 for all Casualty Events in any fiscal year of the Borrower, the Borrower shall prepay ~~the Loans~~outstanding Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in an aggregate amount equal to such excess; *provided*, so long as no Event of Default shall have occurred and be continuing, the Borrower shall have the option, directly or through one or more of its Subsidiaries to invest such excess amount within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof (i) in assets used or that are useful in the business of the Borrower and its Subsidiaries or (ii) to repair, restore or replace the assets subject to the applicable Casualty Event; and *provided*, *further*, that an amount equal to any such Net Insurance/Condemnation Proceeds that have not been reinvested within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof shall be applied by the Borrower to prepay the ~~Loans~~Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and/or, to the extent required by Section 2.11(j), the Revolving Loans (with a corresponding permanent reduction of the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in accordance with Section 2.11(~~e) and Section 2.11(f)~~. ~~Notwithstanding anything to~~

~~the contrary herein, with respect to any Net Insurance/Condemnation Proceeds of any Revolving Loan Priority Collateral (as defined in the Intercreditor Agreement), the Borrower's obligation to prepay the Loans under this Section 2.11(b) shall be deemed satisfied to the extent that the amount that would otherwise be required to be used to prepay the Loans under this Section 2.11(b)(iii) is (y) required to be applied and is in fact applied to prepay the loans (but without requiring any permanent reduction of the commitments under the Revolving Loan Agreement) within the time period required by the terms of the Revolving Loan Agreement (including any grace period provided in connection therewith) or (z) reinvested in the business of the Borrower and its Subsidiaries pursuant to the terms of the Revolving Loan Agreement.~~f) and Section 2.11(g) (and, to the extent applicable, Section 2.11(j)).

(d) ~~(c)~~ ***Issuance of Indebtedness***. On the date of receipt of the Net Securities Proceeds from the issuance of any Indebtedness of Holdings, the Borrower or any of its Subsidiaries after the Closing Date (other than Indebtedness permitted under Section 6.01), the Borrower shall prepay the ~~Loans~~Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) in accordance with ~~Section 2.11(e) and~~ Section 2.11(f) and Section 2.11(g) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in an aggregate amount equal to such Net Securities Proceeds.

(e) ~~(d)~~ ***Change of Control***. Upon the occurrence of a Change of Control, the Borrower shall offer to prepay all Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) then outstanding at 100% of the principal amount~~, plus the prepayment premium (expressed as percentages of principal amount) set forth below (the "~~ (together with a termination of the Revolving Loan Commitment), plus, with respect to with respect to the Initial Term Loans and the 2016 Term Loans only, the Change of Control Prepayment Premium~~") determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such Loans outstanding on the applicable prepayment date:~~.

~~*If Prepaid:*~~	~~*Percentage*~~
~~From and after the Closing Date up to but not including the first anniversary of the Closing Date~~	~~2.0%~~
~~From and after the first anniversary of the Closing Date up to but not including the second anniversary of the Closing Date~~	~~1.0%~~
~~From and after the second anniversary of the Closing Date up to but not including the third anniversary of the Closing Date~~	~~0.25%~~
~~From and after the third anniversary of the Closing Date~~	~~0%~~

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(f) ~~(e)~~ The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.11 a certificate signed by a Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and to the extent practicable, at least three days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the principal amount of each Loan (or portion thereof) to be prepaid, and, if applicable, the Applicable Prepayment Premium or Change of Control Prepayment Premium due in connection with such prepayment. All prepayments of Loans under this Section 2.11 shall be subject to Section 2.11(~~f~~g), Section 2.11(~~g~~h), Section 2.11(j) and Section 2.13 and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment. For the avoidance of doubt, no Applicable Prepayment Premium or Change of Control Prepayment Premium shall be due on (i) interest (other than, for the avoidance of doubt, PIK Interest on the Initial Term Loans and the 2016 Term Loans that has been capitalized and added to principal~~) or any amount~~ of such Initial Term Loans or 2016 Term Loans, as applicable) or amounts other than the principal amount of the ~~Loans so prepaid~~Initial Term Loans or 2016 Term Loans so prepaid, (ii) any principal on the Revolving Loans or Incremental Loans, (iii) any amount or Obligations other than the principal amount of the Initial Term Loans or 2016 Term Loans so prepaid or (iv) any Revolving Loan Commitments, 2016 Term Loan Commitments or Incremental Commitments that are reduced or terminated. Subject to Section 2.11(j), all prepayments of the Term Loans pursuant to paragraphs (b), (c), (d) or (e), as applicable, of this Section 2.11, shall be applied to the outstanding Initial Term Loans and the 2016 Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis.

(g) ~~(f)~~ Notwithstanding anything to the contrary herein, any Lender may elect, by notice to the Borrower, prior to any prepayment of Loans or an offer to prepay the Term Loans required to be made by the Borrower pursuant to paragraph ~~(a), (b), (c) or (d), as applicable, of this Section 2.11,~~ (b), (c) (d) or (e), as applicable, of this Section 2.11 (other than, in the case of clause (d), a prepayment of all Loans in connection with a refinancing in full thereof), to decline all (but not a portion) of its *pro rata* share of such prepayment (such declined amounts, the "***Declined Proceeds***"). Any Declined Proceeds shall be offered on a *pro rata* basis to the ~~Lenders~~Term Loan Lenders (with respect to their remaining Term Loans only (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) not so declining such prepayment. To the extent such non-declining Term Loan Lenders elect to decline their *pro rata* shares of such Declined Proceeds, such Declined Proceeds may be retained by the Borrower.

(h) ~~(g)~~ With respect to any prepayment of Initial Term Loans or 2016 Term Loans (including capitalized PIK Interest thereof) required to be made by the Borrower pursuant to paragraph (~~d),~~e) of this Section 2.11, the Borrower shall pay the Change of Control Prepayment Premium (if any) determined for the prepayment date with respect to such principal amount of Initial Term Loans or 2016 Term Loans, as applicable, paid.

(i) ~~(h)~~ With respect to any prepayment of Initial Term Loans or 2016 Term Loans (including capitalized PIK Interest thereof) required to be made by the Borrower pursuant to paragraph (~~c~~d) of this Section 2.11 or Article VII (other than on account of an acceleration resulting solely from a breach of Section 6.10), the Borrower shall pay the Applicable Prepayment Premium determined for the prepayment date with respect to such principal amount of Initial Term Loans or 2016 Term Loans, as

applicable, paid. For the avoidance of doubt, no Applicable Prepayment Premium, Change of Control Prepayment Premium or any other prepayment premium shall be required to be paid with respect to any prepayment pursuant to paragraphs (a) ~~or (b) of this Section 2.11~~., (b) or (c) of this Section 2.11 or Section 7.02 or with respect to any prepayment, repayment or payment of the Revolving Loans (or in connection with any reduction in, or termination of, the Revolving Loan Commitments), or the Incremental Loans (or in connection with any reduction in, or termination of, the Incremental Commitments).

(j) Notwithstanding anything to the contrary herein, subject to Section 2.10(c), in the event the aggregate outstanding principal amount of the Term Loans is $15,000,000 or less or any repayment or prepayment (optional, mandatory or otherwise) of the Term Loans will cause the outstanding principal amount to be $15,000,000 or less, each amount required to be applied pursuant to Section 2.10(a)(i) and paragraphs (b), (c), (d) or (e) of this Section 2.11 shall be applied (i) first, to permanently prepay the Term Loans in such an amount that would cause the outstanding principal amount of the Term Loans to equal $15,000,000, (ii) second, to permanently repay any outstanding Revolving Loans (provided that each such repayment shall apply proportionately to permanently reduce the Revolving Loan Commitment of each RL Lender) until the outstanding principal amount of Revolving Loans is zero, (iii) third, to permanently reduce the Unutilized Revolving Loan Commitment until the Total Revolving Loan Commitment is zero (it being understood that cash equal to the amount of the Unutilized Revolving Loan Commitment so reduced may be retained by the Borrower and shall not be required to prepay the Term Loans pursuant to Section 2.11(j)(iv)), and (iv) thereafter, to permanently prepay the remaining outstanding principal amount of the Initial Term Loans and the 2016 Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis.

SECTION 2.12. ***Reserve Requirements; Change in Circumstances***.

(a) Notwithstanding any other provision of this Agreement, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or shall impose on such Lender any other condition affecting this Agreement or Loans made by such Lender; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, upon written demand, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender shall have reasonably determined that any Change in Law regarding capital adequacy or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender pursuant hereto to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's

holding company with respect to capital adequacy), then from time to time the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section 2.12 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate delivered by it within 10 Business Days after its receipt of the same.

(d) Failure or delay on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be under any obligation to compensate any Lender under paragraph (a) or (b) of this Section 2.12 with respect to increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies in writing the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof). The protection of this Section 2.12(d) shall be available to each Lender and regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

(e) Notwithstanding anything to the contrary, in the event that the Administrative Agent shall have reasonably determined that dollar deposits in the principal amounts of the Loan are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to the majority of Lenders of making or maintaining loans at the three-month London Interbank Offered Rate, or that reasonable means do not exist for ascertaining the Libor Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the Lenders (a "***LIBOR Unavailability Notice***"). In the event of any such reasonable determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, interest on the Loan shall accrue by reference to the Alternate Base Rate. Each determination by the Administrative Agent under this Section 2.12(e) shall be *prima facie* evidence absent manifest error.

SECTION 2.13. ***Indemnity***. Subject to the limitations set forth in Section 9.05(b) and the time period for payment set forth in Section 9.05(e), the Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of any default by the Borrower in the making of any payment or prepayment required to be made hereunder. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error.

SECTION 2.14. ***Pro Rata Treatment***. Except as otherwise provided in this Agreement the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations hereunder, the Administrative Agent shall distribute such payment to the Lenders entitled thereto (other than any Lender that has consented in writing to waive its *pro rata* share of any such payment) *pro rata* based upon their respective shares, if any, of the Obligations with respect to which such payment was received. This Section 2.14 is subject to Section ~~2.19.~~2.20.

SECTION 2.15. ***Ratable Sharing***. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (but excluding any sale or participation of its Loans to a Person other than the Borrower or an Affiliate thereof, which shall be included), obtain payment (voluntary or involuntary) in respect of any principal of any Loan as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall (a) notify the Administrative Agent of such fact and (b) be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided*, *however*, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.15 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower and Holdings expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim or other event with respect to any and all moneys owing by the Borrower and Holdings to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.16. ***Payments***.

(a) Except with respect to any PIK Interest pursuant to Section 2.06, the Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder and under any other Loan Document not later than 11:00 a.m., Local Time, on the date when due in immediately available Dollars, without setoff, defense (other than the defense of payment) or counterclaim. Subject to Section ~~2.19~~,2.20, each such payment shall be made to the Administrative Agent for distribution to the Lenders or other appropriate Person. Each such payment that is payable to a Lender shall be paid directly to such Lender at the office identified on Schedule 2.01 for such Lender or as otherwise directed by such Lender in writing from time to time, and each such payment that is payable to the Administrative Agent or the Collateral Agent shall be paid directly to the Administrative Agent or Collateral Agent, as applicable, at their respective offices identified on Schedule 2.01 or as otherwise directed by the Administrative Agent or Collateral Agent, as applicable, in writing from time to time.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.17. ***Taxes***.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable

Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Holdings and the Borrower shall, or shall cause each of the Loan Parties to, timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Administrative Agent has not already been indemnified by any of the Loan Parties for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(g) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, the Borrower shall, or shall cause such Loan Party to, deliver to the Administrative Agent or the applicable Lender, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent or the applicable Lender, as the case may be.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the applicable Withholding Agent such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall

deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17 (ii)(A), (ii)(B) and ()(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, any Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such Tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that (A) such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (B) the interest payments in question are not effectively connected with a U.S. trade or business conducted by such Foreign Lender (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E;

(iv) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership), executed originals of IRS Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, W-8BEN-E, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if one or more direct or indirect beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender shall provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect beneficial owner; or

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(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(D) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this

paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such Tax had never been paid.

(h) Nothing contained in this Section 2.17 shall require any Lender (or any transferee or assignee) or either Agent to make available any of its Tax Returns or any other information that it deems to be confidential or proprietary.

SECTION 2.18. ***Assignment of Loans Under Certain Circumstances; Duty to Mitigate***.

(a) Notwithstanding anything to the contrary set forth in this Agreement, in the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.12, (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.17 or (iii) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, and, in the case of clause (i) or (ii), such Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(b) that would not require such compensation or requirement to pay such amounts, the Borrower, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, may require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.12 or Section 2.17) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that, (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, and (z) the Borrower or such assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans of such Lender, plus all Fees and other amounts that have accrued and have earned for the account of such Lender hereunder with respect thereto (including any amounts under Section 2.12 and Section 2.13); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.12 or the amounts paid pursuant to Section 2.17, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital or cease to result in amounts being payable under Section 2.17, as the case may be (including as a result of any action taken by such Lender pursuant to paragraph (b) of this Section 2.18), or if such Lender shall waive its right to claim further compensation under Section 2.12 in respect of such circumstances or event or shall waive its right to further payments under Section 2.17 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder; *provided*, *however*, that any prior transfer or assignment shall still be in full force and effective. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.18.

(b) If (i) any Lender shall request compensation under Section 2.12 or (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental

Authority on account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) to assign (at the request of the Borrower) its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.12 or would reduce amounts payable pursuant to Section 2.17, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

SECTION 2.19. ***Voluntary Termination of Unutilized Revolving Loan Commitments***. Upon at least 3 Business Days' prior written notice to the Administrative Agent, the Borrower shall have the right, at any time or from time to time, without premium or penalty, to terminate the Total Unutilized Revolving Loan Commitment in whole, or reduce it in part, pursuant to this Section 2.19, in an integral multiple of $1,000,000 in the case of partial reductions to the Total Unutilized Revolving Loan Commitment, provided that each such reduction shall apply proportionately to permanently reduce the Revolving Loan Commitment of each RL Lender.

SECTION 2.20.~~SECTION 2.19.~~ ***Obsidian Agency Services as Administrative Agent***. Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, at any time that Obsidian Agency Services, Inc. serves as the Administrative Agent hereunder, (a) the Lenders shall directly fund the Loans to the Borrower, (b) each Lender shall provide wire instructions to the Borrower with respect to payments to be received from the Borrower hereunder and the Borrower shall directly make any payments required or permitted hereunder to the Lenders and (c) neither the Lenders nor the Borrower shall remit any funds to the Administrative Agent to forward to another party hereunder.

SECTION 2.21.~~SECTION 2.20.~~ ***Tax Treatment***.

(a) Holdings, the Borrower and each of the Lenders agree, (i) that the Loans are debt for U.S. federal income tax purposes, (ii) that the Initial Term Loans are issued with original issue discount ("***OID***") solely on account of the PIK Interest and value allocated to the Warrants under Section ~~2.20~~2.21(b), (iii) that the ~~Loans~~2016 Term Loans are issued with OID solely on account of the PIK Interest, (iv) that the Initial Term Loans and 2016 Term Loans, as applicable, are not governed by the rules set out in Treasury Regulations Section 1.1275-4 and (~~iv~~v) not to file any Tax Return, report or declaration inconsistent with the foregoing, except as otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any corresponding provision of state, local or foreign tax law).

(b) In connection with the Initial Term Loans, each of the Initial Term Loan Lenders is receiving Warrants on the Closing Date. The Initial Term Loans and Warrants are considered to be the issuance of an "investment unit" under Section 1273(c)(2) of the Code, and the parties agree that the aggregate fair market value of the Warrants shall be $1,060,000 for purposes of the investment unit allocation rules under Section 1273(c)(2) of the Code. The Borrower and each of the Lenders agree to report in a manner that is consistent with this allocation for all tax purposes.

(c) The inclusion of this Section ~~2.20~~2.21 is not an admission by any Lender that it is subject to United States taxation.

SECTION 2.22.~~SECTION 2.21.~~ ***AHYDO***. Notwithstanding anything herein to the contrary, if (1) the Initial Term Loans remain outstanding after the fifth anniversary of the initial issuance thereof and (2) the aggregate amount of the accrued but unpaid interest on the Initial Term Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of any Testing Date occurring after such fifth anniversary exceeds an amount equal to the Maximum Accrual, then all such accrued but unpaid interest on the Initial Term Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of such time in excess of an amount equal to the Maximum Accrual shall be paid in cash by the Borrower to the Lenders on such Testing Date, it being the intent of the parties hereto that the deductibility of interest under the Initial Term Loans shall not be limited or deferred by reason of Section 163(e)(5) and Section 163(i) of the Code. For these purposes, the "Maximum Accrual" is an amount equal to the product of such Initial Term Loans' issue price (as defined in Code Sections 1273(b) and 1274(a)) and their yield to maturity, and a "Testing Date" is the date on which any "accrual period" (within the meaning of Section 1272(a)(5) of the Code) closes.

SECTION 2.23.~~SECTION 2.22.~~ ***Incremental Facility***.

(a) From time to time after the Closing Date, but not more than ~~three~~two occasions during the term of the Loans, Borrower may by written notice to the Administrative Agent, elect prior to the Maturity Date, the establishment of one or more new term loan commitments (the "***Incremental Commitments***"), by (1) an amount not in excess of $~~25,000,000~~20,000,000 in the aggregate and (2) and not less than $1,000,000 individually (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or conditioned) or (y) constitute the difference between $~~25,000,000~~20,000,000 and all such Incremental Commitments obtained prior to such date), and integral multiples of $1,000,000 in excess of that amount (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or conditioned) or (y) constitute the difference between $~~25,000,000~~20,000,000 and all such Incremental Commitments obtained prior to such date). Each such notice shall specify (A) the date (each, an "***Increased Amount Date***") on which Borrower determines that the Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent (or such shorter period as shall be reasonably acceptable to the Administrative Agent) and (B) the identity of each Lender or other Person (each of which must be an Eligible Incremental Lender) (each, an "***Incremental Lender***") to whom Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations; *provided*, that each existing Lender shall first be afforded, by written notice to the Administrative Agent (which notice shall be promptly forwarded by the Administrative Agent to the applicable existing Lenders and the Administrative Agent agrees to promptly forward such notice to the Lenders prior to the Increased Amount Date, but any failure to deliver such notice shall not prevent the above-mentioned ten (10) Business Day period from running after the Administrative Agent has received such notice), the opportunity to provide its Loan Commitment Percentage of any Incremental Commitments, as applicable; *provided*, *further*, that any Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment. Each Lender may elect to provide all or a portion of its Loan Commitment Percentage of any Incremental Commitments, as applicable, by providing written notice (each, an "***Acceptance Notice***") to the Administrative Agent and the Borrower no later than 5:00 p.m. Local Time ten (10) days after the date of the Administrative Agent's receipt of notice from the Borrower. Each Acceptance Notice from a given Lender shall specify the principal amount of the Incremental Commitment to be provided by such Lender. If a Lender fails to deliver an Acceptance Notice to the Administrative Agent within the time frame specified above or such Acceptance Notice fails to specify the principal amount of the Incremental Commitments to be provided, any such failure will be deemed a rejection of the opportunity to provide any portion of the Incremental Commitment, and the Borrower

may have other Persons provide the remaining uncommitted portion of the Incremental Commitments. Such Incremental Commitments shall become effective as of such Increased Amount Date; *provided* that after giving effect to the making of any Incremental Loans and the use of proceeds thereof, (I) no Default or Event of Default shall have occurred and be continuing under any of the Loan Documents; (II) each of the representations and warranties set forth in Article III shall remain true and correct in all material respects (without duplication of any materiality qualifiers contained therein); and (III) the Consolidated Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be) delivered pursuant to Sections 5.04 (a) or (b) and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00. The Incremental Commitments, as applicable, shall be effected pursuant to one or more amendments (each, an "***Incremental Loan Amendment***") executed and delivered by Borrower, the Incremental Lender and the Administrative Agent and each of which shall be recorded in the Register (*provided* that the Administrative Agent agrees to execute and deliver any Incremental Loan Amendment satisfying the requirements of this Section ~~2.22~~2.23 and otherwise in compliance with the terms of this Agreement).

(b) Any Incremental Loans made on an Increased Amount Date shall be designated a separate Tranche of Incremental Loans for all purposes of this Agreement. On any Increased Amount Date on which any Incremental Commitments are effected, subject to the satisfaction or waiver of the foregoing terms and conditions, (i) each Incremental Lender shall make a term loan to Borrower (an "***Incremental Loan***") in an amount equal to its Incremental Commitment, and (ii) each Incremental Lender shall become a Term Loan Lender and a Lender hereunder with respect to the Incremental Commitment and the Incremental Loans made pursuant thereto.

(c) The Administrative Agent shall notify the Lenders promptly upon receipt of Borrower's notice of each Increased Amount Date and in respect thereof the Incremental Commitments and the Incremental Lenders.

(d) The terms and provisions of the Incremental Loans and Incremental Commitments shall be as agreed between Borrower and the Incremental Lenders providing such Incremental Loans and Incremental Commitments and except as otherwise permitted pursuant to this clause (e), shall be either on terms (x) substantially consistent (taken as a whole) with the Initial Term Loans made on the Closing Date or (y) no more favorable (taken as a whole) to the Incremental Lenders than the terms applicable to the Initial Term Loans made on the Closing Date. In any event:

(i) the Incremental Loans shall rank *pari passu* in right of payment and be equal with respect to security with the Initial Term Loans ~~made on the Closing Date~~, the 2016 Term Loans and the Revolving Loans;

(ii) the Weighted Average Life to Maturity of the Incremental Loans shall be no shorter than the Weighted Average Life to Maturity of the Initial Term Loans made on the Closing Date (except by virtue of prepayment of such Loans prior to the time of such incurrence);

(iii) the final maturity date of the Incremental Loans shall be no earlier than the Maturity Date of the Initial Term Loans ~~made on the Closing Date~~, the 2016 Term Loans and the Revolving Loans;

(iv) at the option and agreement of the Borrower and the Incremental Lenders, the Incremental Loans may share ratably in right of prepayment with the Initial Term Loans ~~on~~and the ~~Closing Date~~2016 Term Loans pursuant to Sections 2.10 and 2.11 or otherwise; and

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(v) the all-in yield applicable to such Incremental Loans (including interest rate margins and interest rate floors with respect to such Incremental Loans (based on the lesser of a four-year average life to maturity and the remaining life to maturity) (but only to the extent an increase in the interest floor in the Initial Term Loans ~~made on the Closing Date~~ would cause an increase in the interest rate then in effect hereunder, and in such case, the interest rate floor (but not the interest rate margin) applicable to such Initial Term Loans ~~made on the Closing Date~~ shall be increased to the extent of such differential above the 0.50% threshold below between interest rate floors), but excluding arrangement, structuring, underwriting, amendment or other fees paid or payable to the Administrative Agent, the Collateral Agent, the Lenders on the Closing Date or their Affiliates or that are not generally paid to all lenders of such type of indebtedness) shall not be greater than the corresponding all-in yield applicable to the Initial Term Loans ~~made on the Closing Date~~ plus 0.50% per annum (any such amount in excess of such 0.50% threshold, the "***Excess Rate***") unless the interest rate margin with respect to the Initial Term Loans ~~made on the Closing Date~~ are increased by an amount equal to the Excess Rate.

(e) Each Incremental Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable and mutual opinion of the Agents and Borrower to effect the provision of this Section ~~2.22~~2.23, and for the avoidance of doubt, this Section ~~2.22~~2.23 shall supersede any provisions in Sections 2.14 or 9.08 to the contrary.

(f) The Incremental Loans and Incremental Commitments extended or established pursuant to this Section ~~2.22~~2.23 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Credit Documents, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure or demonstrate that the Lien and security interests granted in the Collateral by the Security Documents continue to be perfected under the Uniform Commercial Code or otherwise after giving effect to the extension or establishment of any such Incremental Loans or any such Incremental Commitments.

ARTICLE III

Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans, each of Holdings and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders on the Closing Date and at the time of making the 2016 Term Loans, any Incremental Loan or Revolving Loan, as applicable, after the Closing Date that:

SECTION 3.01. ***Organization; Powers***. Each of the Loan Parties and their respective Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is or will be a party and, in the case of the Borrower, to borrow Loans hereunder.

SECTION 3.02. ***Authorization***. The entering into the Loan Documents to which the Loan Parties are parties thereto (a) have been duly authorized by all requisite corporate or other entity and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) any provision of the certificate or articles of incorporation or other Organizational Documents or bylaws of Holdings, the Borrower or any Subsidiary, (C) any order of any Governmental Authority, except as would not reasonably be expected to have a Material Adverse Effect, or (D) any provision of any Contractual Obligation to which Holdings, the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Contractual Obligation relating to Material Indebtedness to which Holdings, the Borrower or any Subsidiary is a borrower or guarantor party thereunder or by which any of them or any of their property is or may be bound as a borrower or guarantor thereunder, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Holdings, the Borrower or any Subsidiary (other than any Lien created hereunder or under the Security Documents~~, or to the extent in existence at such time, under the Revolving Loan Documents~~).

SECTION 3.03. ***Enforceability***. This Agreement has been duly executed and delivered by Holdings and the Borrower and constitutes, and each other Loan Document when executed and delivered by each Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. ***Governmental Approvals; Third Party Approvals***. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority or any other Person is or will be required in connection with entering into the Loan Documents to which the Loan Parties are parties thereto, except for (a) the filing of UCC financing statements and filings with the United States Patent and Trademark Office and the United States Copyright Office, (b) recordation of the Mortgages, (c) such as have been made or obtained and are in full force and effect, and (d) those the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.05. ***Financial Statements***.

(a) The Borrower has heretofore furnished to the Administrative Agent (i) audited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2012, audited by and accompanied by the opinion of Moss Adams LLP, independent public accountants, (ii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal quarter after December 31, 2012 and ended 46 days before the Closing Date and (iii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal month after December 31, 2012 and ended 31 days before the Closing Date and, in each case, certified by a Financial Officer of the Borrower. Such financial statements present fairly, in all material respects, the financial condition and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof required to be disclosed pursuant to GAAP. Such financial statements were prepared in accordance with GAAP (except (A) in the case of unaudited financial statements, for the lack of footnotes and being subject to year–end or quarter-end audit adjustments, as applicable, and (B) in respect of any monthly financial statements).

(b) The consolidated forecasted balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries have been delivered to the Administrative Agent on or prior to the Closing Date and (a) have been prepared on good faith estimates and assumptions believed by the Loan Parties to be reasonable as of the date of such projections and as of the Closing Date, and (b) present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its Subsidiaries described therein as of such date and for such periods set forth therein, on a pro forma basis assuming that the Transactions contemplated hereby had occurred at such dates (it being understood and agreed that (x) any financial or business projections or forecasts furnished are subject to significant uncertainties and contingencies, which may be beyond the control of any Loan Party, (y) no assurance is given by any Loan Party that the results or forecast in any such projections will be realized and (z) the actual results may differ from the forecast results set forth in such projections and such differences may be material).

SECTION 3.06. ***Title to Properties; Possession Under Leases***.

(a) Each of the Loan Parties and their respective Subsidiaries has good and marketable title to, or valid leasehold interests in, substantially all its properties and assets, except for minor defects in title that do not interfere in any material respects with its ability to conduct its business as currently conducted or except as would not reasonably be expected to have a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Loan Parties and their respective Subsidiaries has complied with its obligations under all leases (with respect to properties that are material to the business of the Loan Parties and their respective Subsidiaries taken as a whole) to which it is a party and all such leases are in full force and effect, in each case, except where the failure to comply or to be in full force or effect would not reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties and their respective Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for Liens permitted by Section 6.02.

SECTION 3.07. ***Subsidiaries; Ownership Interests***.

(a) Schedule 3.07(a) sets forth as of the ~~Closing~~Second Amendment Effective Date a list of all Subsidiaries of Holdings and the percentage ownership interest of Holdings, the Borrower and its Subsidiaries in such Subsidiaries of Holdings. As of the ~~Closing~~Second Amendment Effective Date, the shares of capital stock or other ownership interests so indicated on Schedule 3.07(a) are fully paid and non-assessable and are owned by Holdings, the Borrower or such Subsidiary, directly or indirectly, free and clear of all Liens (other than Liens created under the Security Documents and non-consensual Liens permitted by Section 6.02(iv)). All outstanding Equity Interests of each of Borrower and its Subsidiaries, as of the ~~Closing~~Second Amendment Effective Date, are duly and validly issued. All of the issued and outstanding Equity Interests of the Borrower are legally and beneficially owned and Controlled directly by Holdings.

(b) Except as set forth in Schedule 3.07(c), the Borrower does not have and is not bound by any outstanding subscriptions, options, warrants, calls, commitments or agreement of any character calling for the purchase or issuance of any Equity Interests of the Borrower or any securities representing the right to purchase or otherwise receive any Equity Interests of the Borrower.

(c) The capitalization table attached as Exhibit F to this Agreement accurately reflects the ownership interests of SLS Breeze Holdings, Inc. (on a fully diluted basis) both immediately prior to and immediately following the Closing Date.

(d) In connection with the Acquisition, Holdings has received the cash equity contribution (inclusive of rollover equity) in an aggregate amount of not less than $190,000,000, directly or indirectly, from the Permitted Holders and the other co-investors in SLS Breeze Holdings, Inc.

SECTION 3.08. ***Litigation; Compliance with Laws***.

(a) Except as set forth on Schedule 3.08, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Holdings or the Borrower, threatened in writing (including by email or other electronic means) against or affecting any of the Loan Parties or their respective Subsidiaries or any business, property or rights of any such Person that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) ~~None~~As of the Second Amendment Effective Date, none of the Loan Parties or their respective Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any zoning, building, Environmental Law, ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09. ***Agreements***. None of the Loan Parties or their respective Subsidiaries is in any material respect in default under or in violation of the performance of any of its obligations under any of its Organizational Documents.

SECTION 3.10. ***Federal Reserve Regulations***.

(a) None of the Loan Parties or their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, Regulation U or Regulation X.

SECTION 3.11. ***Government Regulation***. None of the Loan Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940. None of the Loan Parties is subject to regulation under the Federal Power Act, the Interstate Commerce Act, the ICC Termination Act, as amended, or under any other federal or state statute or regulation that may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

SECTION 3.12. ***Use of Proceeds***. The Borrower will use the proceeds of the Loans only for the purposes specified in Section 5.08.

SECTION 3.13. ***Tax Returns***. Each of the Loan Parties and their respective Subsidiaries has filed or caused to be filed all federal and material state, local and foreign Tax Returns required to have been filed by it and has paid or caused to be paid all Taxes due and payable by it, except Taxes that are being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP. ~~Except~~As of the Second Amendment Effective Date, except as would not reasonably be expected to have a Material Adverse Effect, no written claim has been asserted, with respect to any Taxes (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP). From the date of the Borrower's formation until the date of termination of the Borrower's "S Corporation" status resulting from the Acquisition (the "Termination Date"), Borrower has qualified as an "S Corporation" within the meaning of Section 1361 of the Code and, unless otherwise required by applicable law, under all state and local jurisdictions in which it is subject to income Tax (or franchise Tax in the nature of an income Tax). Each Subsidiary (if any) of the Borrower, from the date of its formation until the Termination Date, has either qualified as a "qualified subchapter S subsidiary" within the meaning of 1361(a)(3) of the Code or a "disregarded entity" within the meaning of Treasury Regulation Section 301.7701-2. Unless otherwise required by applicable law, the tax classification of the Borrower and each Subsidiary (if any) of the Borrower under all state and local jurisdictions have been at all times the same as their federal classification.

SECTION 3.14. ***No Material Misstatements***. The information that the Loan Parties have provided, directly or indirectly, in writing, taken as a whole, to the Administrative Agent is not materially misleading and does not contain any material misstatement of fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were, not materially misleading as of the date such information is dated or certified.

SECTION 3.15. ***Employee Benefit Plans***.

(a) Except as would not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan of the Borrower and its ERISA Affiliates is in compliance with its terms and the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, none of the Borrower or any ERISA Affiliate contributes to, participates in or in any way, directly or indirectly, has any liability with respect to any plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA, including, without limitation, any "multiemployer plan" (within the meaning of Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code) or any "single-employer plan" (within the meaning of Section 4001(a)(15) of ERISA) which is subject to Sections 4063, 4064 or 4069 of ERISA. There are no pending or threatened in writing (including by email or other electronic means) claims, sanctions, actions or lawsuits, asserted or instituted against any Employee Benefit Plan or any Person as fiduciary or sponsor of any such Employee Benefit Plan which could reasonably be expected to result in a Material Adverse Effect. Except as would not result in a Material Adverse Effect, none of the Borrower or any ERISA Affiliate has or could have any liability, whether for contributions, funding, benefits or otherwise, with respect to any Foreign Plan.

SECTION 3.16. ***Environmental Matters***. None of the Loan Parties or their respective Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, except to the extent such failure could not reasonably be expected to result in a Material Adverse Effect, (ii) has become subject to any Environmental Liability that could reasonably be expected to result in a Material Adverse Effect, (iii)

as of the Second Amendment Effective Date, has received notice of any written claim with respect to any Environmental Liability or (iv) as of the Second Amendment Effective Date, knows of any basis for any Environmental Liability, that could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.17. ***Insurance***. Schedule 3.17 sets forth a true, complete and correct description of all material insurance maintained by the Loan Parties and their respective Subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid. The Loan Parties and their respective Subsidiaries have insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.18. ***Security Documents***.

(a) The Guarantee and Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Guarantee and Collateral Agreement) and the proceeds thereof except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and except with respect to any additional actions and documents that need to be entered into that are required under foreign law (with respect to any Equity Interests of a Foreign Subsidiary or assets or property located in a foreign jurisdiction) to create a legal, valid and enforceable security interest and (i) when the original Pledged Collateral (as defined in the Guarantee and Collateral Agreement), along with any necessary transfer documents or instruments, is delivered to the Collateral Agent, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral, in each case prior and superior in right to any other Person (in each case, other than (y) Liens ~~granted under the Revolving Loan Documents to the extent the Intercreditor Agreement provides such Liens prior or superior priority in right~~on cash collateral permitted pursuant to Section 6.02(xiv) and (z) non-consensual Liens permitted under Section 6.02(iv)), and (ii) (A) for Collateral with respect to which a security interest may be perfected only by possession or control, upon the taking of possession or control by the Collateral Agent of such Collateral, (B) when financing statements in appropriate form are filed in the offices specified on Schedule 3.18(a), (C) the actions described in clause (i) above with respect to Pledged Collateral and (D) upon taking (1) any other perfection action as may be required under the UCC or any other applicable law and (2) any other action (including creation action) as may be required under foreign law, the Lien on the Collateral created under the Guarantee and Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (other than federally registered copyrights) in which a security interest may be perfected pursuant to Article 9 of the UCC, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02.

(b) Upon the recordation of the fully-executed Guarantee and Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Collateral Agent) with the United States Copyright Office, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the federally registered Copyrights (as defined in the Guarantee and Collateral Agreement) in which a security interest may be perfected by filing in the United States, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02 (it being understood that subsequent recordings in the United States Copyright Office may be necessary to perfect a Lien on registered copyrights acquired by the Loan Parties after the date hereof).

SECTION 3.19. ***Location of Real Property and Leased Premises***.

(a) Schedule 3.19(a) lists completely and correctly as of the ~~Closing~~Second Amendment Effective Date all real property owned by each Loan Party and their respective Subsidiaries and the addresses thereof. As of the ~~Closing~~Second Amendment Effective Date, the Loan Parties and their Subsidiaries own in fee all the real property set forth on Schedule 3.19(a).

(b) Schedule 3.19(b) lists completely and correctly as of the ~~Closing~~Second Amendment Effective Date all real property leased by each Loan Party and their respective Subsidiaries and the addresses thereof. As of the ~~Closing~~Second Amendment Effective Date, the Borrower and the Subsidiaries have a valid leasehold interest in all the real property set forth on Schedule 3.19(b) that is material to the ordinary conduct of its business, except where failure to have such a valid leasehold interest could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.20. ***Labor Matters***. As of the ~~Closing Date~~Second Amendment Effective Date, except as would not reasonably be expected to have a Material Adverse Effect, there are no strikes, lockouts or slowdowns against any of the Loan Parties pending or, to the knowledge of Holdings or the Borrower, threatened (in writing (including by email or other electronic means)). The hours worked by and payments made to employees of the Loan Parties or their Subsidiaries have not been in material violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from any of the Loan Parties or their Subsidiaries, or for which any claim has been made against any of the Loan Parties or their Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Parties or their Subsidiaries. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any of the Loan Parties or their Subsidiaries is bound.

SECTION 3.21. ***Solvency***. Immediately~~ after the consummation of the Transactions to occur on the Closing Date and immediately~~ following the making of ~~the Loans and the Revolving~~any Loans and immediately after giving effect to the application of ~~the~~any proceeds ~~of the Loans and the Revolving Loans used on the Closing Date~~thereof, (a) the fair value of the assets (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Loan Parties and their respective Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Loan Parties and their respective Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the ~~Closing Date~~ making of such Loan. Such foregoing determination has been made by the chief executive officer, chief financial officer or other Financial Officer, if any, of the Borrower and is based on such officer's actual knowledge and such officer has not conveyed any information to the contrary to any other Person at any time on the date that this representation and warranty is being made or deemed made.

SECTION 3.22. ***No Material Adverse Effect***. Since December 31, 2012, there has been no development or event, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.23. ***Sanctioned Persons***. None of the Loan Parties or their respective Subsidiaries nor, to the knowledge of Holdings or the Borrower, any director, officer, agent, employee or Affiliate of any of the Loan Parties or any of their respective Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("***OFAC***"); the Borrower will not directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

SECTION 3.24. ***Financial Advisors***. Except as set forth in Schedule 3.24, no agent, broker, investment banker, finder, financial advisor or other Person is or will be entitled to any broker's or finder's fee or any other commission or similar fee from any Loan Party or any of the Loan Parties' Subsidiaries with respect to this Agreement or any of the other Loan Documents or any of the Transactions occurring on the Closing Date, and the Borrower hereby indemnifies (subject to the same carve-outs that are in Section 9.05) the Lenders and the Administrative Agent against, and agrees that it will hold the Lenders and the Administrative Agent harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable and documented out-of-pocket fees, expenses and disbursements of counsel) arising in connection with any such claim, demand or liability, in each case, in accordance with Section 9.05.

SECTION 3.25. ***Foreign Assets Control Regulations, Etc***.

(a) Neither the borrowing of the Loans by the Borrower hereunder nor its use of the proceeds thereof will violate (i) the United States Trading with the Enemy Act, as amended, (ii) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (iii) Executive Order No. 13,224, 66 Fed Reg 49,079 (2001), issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) (the "***Terrorism Order***") or (iv) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001). No part of the proceeds from the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(b) No Loan Party and no Subsidiary of a Loan Party (i) is or will become a "blocked person" as described in Section 1.01 of the Terrorism Order or (ii) to its actual knowledge engages or will engage in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each of the Loan Parties and its Affiliates are in compliance, in all material respects, with the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001).

SECTION 3.26. ***Deposit Accounts; Securities Accounts***. Set forth on Schedule 3.26 is a listing of all of the Loan Parties' Deposit Accounts and Securities Accounts, in each case, as of the ~~Closing~~Second Amendment Effective Date including, with respect to each bank or securities intermediary, (a) the name and address of such Person, (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person, and (c) the relevant Loan Party or Loan Parties.

SECTION 3.27. ***Indebtedness***. No Loan Party or Subsidiary of any Loan Party has any liability for any Indebtedness other than the Indebtedness permitted under Section 6.01.

SECTION 3.28. ***Intellectual Property; Copyright Matters***.

(a) Except as set forth on Schedule 3.28(a) or as ~~thereafter otherwise disclosed in writing to the Administrative Agent~~of the most recent date disclosures by the Borrower ~~as~~are required ~~by~~to be delivered pursuant to Section 5.04(d), no Loan Party and no Subsidiary of any Loan Party owns any registered patents, patent applications, registered trademarks, trademark applications, registered trade names, registered service marks, service mark applications, registered copyrights or copyright applications. ~~Each~~As of the most recent date disclosures by the Borrower are required to be delivered pursuant to Section 5.04(d), each Loan Party and each of the Loan Parties' respective Subsidiaries owns directly, or is entitled to use by license (listed on Schedule 3.28(a)) or otherwise, all Intellectual Property material to the conduct of such Loan Party's businesses. All items listed on Schedule 3.28(a) and ~~the further items disclosed~~as of the most recent date disclosures by the Borrower are required to be delivered pursuant to Section 5.04(d) are and, at all times thereafter that this representation is made (except to the extent no longer deemed material to the conduct of the business of the Loan Parties and the Loan Parties' Subsidiaries in the good faith business judgment of the Loan Parties), will be: (a) subsisting and have not been adjudged invalid or unenforceable, in whole or part; (b) to the extent that can be reasonably anticipated, valid, in full force and effect and not in known conflict with the rights of any Person, in each case and (c) free and clear of all Liens, security interests, or other encumbrances other than Liens permitted by Section 6.02. Each Loan Party and each of the Loan Parties' Subsidiaries has made all filings and recordings such Loan Party or Subsidiary deems necessary in the exercise of reasonable and prudent business judgment to protect its interest in the Intellectual Property of such Loan Party or Subsidiary material to the conduct of such Loan Party's businesses in the United States Patent and Trademark Office, and the United States Copyright Office, as appropriate. Except for not making filings or recordings in its exercise of such judgment, each Loan Party and each of the Loan Parties' Subsidiaries has performed all material acts and has paid all material required fees and taxes to maintain each and every item of the Intellectual Property of such Loan Party or Subsidiary in full force and effect, except such items of Intellectual Property as are no longer deemed material to the conduct of the businesses of the Loan Parties and the Loan Parties' Subsidiaries in the reasonable business judgment of the Loan Parties. ~~There~~As of the Second Amendment Effective Date, there are no pending or, to the knowledge of the Loan Parties, threatened in writing (including by email or other electronic means) applications, proceedings or litigation, which, if successful, could reasonably be expected to materially and adversely affect any Intellectual Property of any Loan Party or any of its Subsidiaries material to the conduct of such Loan Party's or such Subsidiaries' businesses, and, to the knowledge of the Loan Parties, no Person is infringing, misusing, violating or breaching such Intellectual Property in any material respect. ~~Neither~~As of the Second Amendment Effective Date, neither any Loan Party nor any of its Subsidiaries has received written notice of any claim of infringement, misuse, violation or breach by such Loan Party or any of its Subsidiaries of any Intellectual Property owned or controlled by another Person which infringement, misuse, violation or breach could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect. ~~To~~As of the Second Amendment Effective Date, to the actual knowledge of Holdings and the Borrower, no Loan Party and no Subsidiary of any Loan Party is in breach of or default under the provisions of any of the foregoing, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute, or result in a conflict, breach, default or event of default under, any of the foregoing that reasonably could be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

SECTION 3.29. ***Activities of Holdings***. Holdings is not engaged in any activities other than those activities permitted by Section 6.13.

ARTICLE IV

Conditions of Lending

SECTION 4.01. ***Conditions Precedent to Closing***.

The obligations of the Lenders to make the Initial Term Loans hereunder on the Closing Date are subject to the satisfaction or waiver of the following conditions on the Closing Date:

(a) ***Loan Party Documents***. The Administrative Agent shall have received the following from or with respect to each Loan Party:

(i) A copy of the certificate or articles of incorporation or organization, including all amendments thereto, certified as of a recent date by either the Secretary of State of the state of its organization or such Governmental Authority, and, to the extent readily available with respect to franchise Taxes, a certificate certifying that such Loan Party has paid all franchise Taxes due and payable on or prior to the date of such certificate and such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(ii) A certificate of the Secretary, Assistant Secretary or other Responsible Officer of each Loan Party dated the Closing Date and certifying (A) that attached thereto are true and complete copies of the Organizational Documents of such Loan Party as in effect on the Closing Date and at all times since a date on or prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Governing Body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents and, in the case of the Borrower, the borrowing of the Initial Term Loans hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the charter or articles or certificate of incorporation or organization of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party;

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above;

(iv) executed originals (or photocopies with originals to follow after the Closing Date) of the Loan Documents to which such Person is a party;

(v) ~~an executed original (or photocopies with originals to follow after the Closing Date) of the Intercreditor Agreement;~~[reserved];

(vi) executed copies of the Acquisition Agreement and any exhibits, schedules and documents related thereto; and

(vii) executed copies of all Related Documents as in effect on the Closing Date, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) ***Fees***. The Administrative Agent and the Lenders shall have received all Fees and other amounts due and payable on or prior to the Closing Date that are required to be paid under the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out of pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(c) ***Intentionally Omitted***.

(d) ***Representations and Warranties; Performance of Agreements***. (i) The representations and warranties in Article III shall be true and correct in all material respects on and as of the Closing Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date), (ii) the Borrower shall have performed in all material respects all agreements and satisfied all conditions which this Agreement provides shall be performed or satisfied by it on or before the Closing Date except as otherwise disclosed to and agreed to in writing by the Administrative Agent, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate, in form and substance reasonably satisfactory to the Administrative Agent, certifying as to the accuracy of each of clause (i) and clause (ii); *provided* that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant or condition for purposes of this condition.

(e) ***Financial Statements***. The Administrative Agent shall have received the financial statements and audit opinion referred to in Section 3.05(a).

(f) ***Intentionally Omitted.***

(g) ***Solvency Certificate***. The Administrative Agent shall have received a solvency certificate from a Financial Officer of Holdings or the Borrower, substantially in the form of Exhibit G hereto.

(h) ***Opinions of Counsel to the Loan Parties***. The Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of Kirkland & Ellis LLP, counsel for the Loan Parties (A) dated the Closing Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (C) covering such other matters relating to the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type, and the Borrower hereby requests such counsel to deliver such opinions.

(i) ***Evidence of Insurance***. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.02.

(j) ***Necessary Governmental Authorizations and Consents; Expiration of Waiting Periods, etc***. All requisite Governmental Authorities and other material third parties shall have approved or consented to the Transactions to the extent required, all applicable appeal periods shall have expired and there shall not be any pending or threatened litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

(k) ***Intentionally Omitted***.

(l) ***Security Interests***.

(i) The Guarantee and Collateral Agreement shall have been duly executed by each Loan Party that is to be a party thereto and shall be in full force and effect on the Closing Date. The Collateral Agent on behalf of the Secured Parties shall have been granted a security interest in the Collateral of the type and priority described herein and in the Guarantee and Collateral Agreement to the extent required thereby.

(ii) The Collateral Agent shall have received a Perfection Certificate with respect to the Loan Parties dated the Closing Date and duly executed by a Responsible Officer of the Borrower, and shall have received the results of a search of the UCC filings (or equivalent filings) made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such Persons as reasonably required by the Collateral Agent, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence reasonably satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been or will be contemporaneously released or terminated on the Closing Date. Such search results shall include copyright, patent and trademark searches, and copyright, patent and trademark filings or recordations, necessary in the Collateral Agent's reasonable determination to perfect the Collateral Agent's security interest in the Collateral as of the Closing Date to the extent such perfection can be obtained by (a) the filing of a financing statement (or similar document), (b) any copyright filing or recordation with the United States Copyright Office and (c) or any patent or trademark filing or recordation with the United States Patent and Trademark Office.

(iii) The Collateral Agent shall have received all certificates, agreements or instruments representing or evidencing the Pledged Collateral (as defined in the Guarantee and Collateral Agreement), accompanied by instruments of transfer and stock powers undated and endorsed in blank, in each case, that are required pursuant to the Guarantee and Collateral Agreement to have been delivered to the Collateral Agent on the Closing Date.

(m) ***Existing Debt***. The Borrower shall have (i) consummated the Existing Debt Refinancing; (ii) delivered to the Administrative Agent a "pay-off" letter in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent with respect to all Indebtedness being refinanced in the Existing Debt Refinancing, (iii) delivered to the Administrative Agent all documents or instruments necessary to release all Liens securing the Indebtedness being repaid in connection with the Existing Debt Refinancing, and (iv) made arrangements reasonably satisfactory to the Administrative Agent and Collateral Agent with respect to the cancellation or cash collateralization or backstopping of any letters of credit outstanding in connection with the Existing Debt Refinancing or the issuance of letters of credit to support the obligations of Holdings and its Subsidiaries with respect thereto.

(n) The Administrative Agent shall have received a customary closing certificate, dated the Closing Date and signed by a Financial Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent.

(o) ***Other Legal Matters***.

(i) All corporate and other proceedings in connection with the Transactions contemplated by this Agreement and the other Loan Documents and all other agreements, documents and instruments incident to such Transactions shall be reasonably satisfactory to the Administrative Agent, and the Administrative Agent shall have received all such certified or other copies of such documents as the Administrative Agent may reasonably request.

(ii) The Administrative Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable " know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act to the extent such documentation and other information has been requested in writing at least five (5) Business Days before the Closing Date.

(iii) All legal matters incident to this Agreement, the Initial Term Loans hereunder and the other Loan Documents shall be reasonably satisfactory to the Administrative Agent.

(p) ***Funds Flow Memorandum***. The Administrative Agent and the Borrower shall have agreed upon a funds flow memorandum duly executed by a Responsible Officer of the Borrower.

(q) ***Material Adverse Effect***. Since December 31, 2012, there shall have occurred no Material Adverse Effect.

(r) ***Due Diligence.*** The Administrative Agent shall have completed a due diligence investigation of the Loan Parties in scope, and with results, reasonably satisfactory to the Administrative Agent, including without limitation, as to general affairs, environmental concerns, intellectual property, management, corporate structure, capital structure, other debt instruments, material contracts, governing documents, prospects, financial position, stockholders' equity and results of operations, and the tax, accounting, legal, regulatory, environmental and other issues relevant to the Loan Parties, and shall have been given access during normal business hours and with reasonable advance written notice to the external independent auditors, management, records, books of account, contracts and properties of the Loan Parties and shall have received such financial, business and other information regarding the Loan Parties as it shall have requested.

(s) ***No Injunction***. No injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the Transactions or the making of the Initial Term Loans hereunder.

(t) ***Notice of Borrowing***. Prior to the making of the Initial Term Loans, the Administrative Agent shall have received a ~~Notice of Borrowing meeting the requirements of Section 2.02(c)~~notice of borrowing.

(u) ***Ownership of Intellectual Property***. Except as otherwise mutually and reasonably agreed by the Administrative Agent and the Borrower, substantially all of the Intellectual Property that is material to the business of the Borrower shall be owned by the Loan Parties and their Subsidiaries.

In determining the satisfaction of the conditions specified in this Section 4.01, (y) to the extent any item is required to be satisfactory to any Lender, such item shall be deemed satisfactory to each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date that the respective item or matter does not meet its satisfaction and (z) in determining whether any Lender is aware of any fact, condition or event that has occurred and which would reasonably be expected to have a Material Adverse Effect, each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date of such fact, condition or event shall be deemed not to be aware of any such fact, condition or event on the Closing Date. Upon the

Administrative Agent's good faith determination that the conditions specified in this Section 4.01 have been met (after giving effect to the preceding sentence), then the Closing Date shall have been deemed to have occurred, regardless of any subsequent determination that one or more of the conditions thereto had not been met. The conditions shall be deemed to have been satisfied on the date the Lenders provide the ~~Loans.~~ Initial Term Loans. For the avoidance of doubt, the conditions specified in this Section 4.01 were met on September 25, 2013.

~~Post Closing Obligations~~Conditions Precedent to Revolving Loans

. ~~As an accommodation to the Borrower~~ The obligation of each applicable Lender to make Revolving Loans, is subject, at the time of each such borrowing, to the satisfaction or waiver of the following conditions:

(a) ***No Default; Representations and Warranties***. At the time of each borrowing hereunder and also after giving effect thereto (i) no Event of Default shall exist and be continuing and (ii) all representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the date of such borrowing (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition.

(b) ***No Injunction.*** No injunction or other restraining order shall have been issued and no hearing by any Person (other than any Secured Party or any Affiliate of a Secured Party) to cause an injunction or other restraining order to be issued shall be pending with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the making of Revolving Loans hereunder.

(c) ***Notice of Borrowing***. Prior to the making of such Revolving Loans, the Administrative Agent ~~and the Lenders have agreed to execute this Agreement and to make Loans on the Closing Date notwithstanding the failure by the Borrower to satisfy the conditions set forth below on or before the Closing Date. In consideration of such accommodation, the Lenders agree that, in addition to all other terms, conditions and provisions set forth in this Agreement and the other Loan Documents, including those conditions set forth in Section 4.01, Holdings and the Borrower shall, and shall cause each other Loan Party to, satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (or such later date as agreed to by the Administrative Agent in its reasonable discretion), it being understood that (i) the failure by Holdings or the Borrower to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an immediate Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Agreement or any other Loan Document to be breached, the Required Lenders hereby waive such breach for the period from the Closing Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 4.02:~~

~~(i) Deliver to the Administrative Agent lender's loss payable and additional insured endorsements in respect of the insurance policies required by Section 5.02 in form and substance reasonably satisfactory to the Administrative Agent no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).~~

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~~(ii) Deliver to the Administrative Agent Control Agreements with financial institutions, securities intermediaries and other Persons in order to perfect Liens by "control" (within the meaning of the applicable Uniform Commercial Code) in respect of Deposit Accounts, Securities Accounts and other Collateral pursuant to the Security Documents in form and substance reasonably satisfactory to the Administrative Agent no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).~~

~~(iii) Use commercially reasonable efforts to deliver to the Administrative Agent a collateral access agreement in form and substance reasonably satisfactory to the Administrative Agent in respect of each data center facility or other location at which any server owned or leased by the Borrower or any other Loan Party is maintained no later than ninety (90) days after the Closing Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion~~shall have received a Notice of Revolver Borrowing meeting the requirements of Section 2.02(d).

ARTICLE V

Affirmative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), each of Holdings and the Borrower will, and will cause each of the Subsidiaries to:

SECTION 5.01. ***Existence; Compliance with Laws; Businesses and Properties***.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise permitted under Section 6.05.

(b) Do or cause to be done all things necessary to obtain, protect, preserve, renew, extend and keep in full force and effect its rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except as could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of the business of Holdings and its Subsidiaries and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.02. ***Insurance***.

(a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies that are of the same or similar size and in the same or similar businesses operating in the same or similar locations; and maintain such other insurance as may be required by law.

(b) Cause all such policies (if any) covering any Collateral (but, for the avoidance of doubt, excluding any public property damage policy) to be endorsed or otherwise amended to include a customary lender's loss payable endorsement, in form and substance reasonably satisfactory to the Collateral Agent, which endorsement shall provide that, from and after the Closing Date, if the insurance carrier shall have received written notice from the Collateral Agent of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to the Borrower or the Loan Parties under such policies directly to the Collateral Agent ~~or the Revolving Agent, as applicable~~; cause all such policies to provide that the Borrower shall be a coinsurer thereunder; upon written request by the Collateral Agent, deliver original or certified copies of all such policies to the Collateral Agent; cause each such policy to provide that it shall not be canceled or not renewed (i) by reason of nonpayment of premium upon not less than 10 days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason upon not less than 30 days' prior written notice thereof by the insurer to the Collateral Agent; upon the written request of the Collateral Agent, deliver to the Collateral Agent, prior to the cancellation or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor.

(c) If at any time the area in which the Premises (as defined in the Mortgages or such other similar term) are located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time reasonably require.

SECTION 5.03. ***Obligations and Taxes***. Pay its Material Indebtedness in accordance with its terms and pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof; *provided*, *however*, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP.

SECTION 5.04. ***Financial Statements, Reports, etc***. In the case of Holdings and Borrower, furnish to the Administrative Agent and each Lender:

(a) within 120 days after the end of each fiscal year of the Borrower (or, for the first fiscal year ending December 31, 2014, no later than October 31, 2015) after the end of each fiscal year of the Borrower, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of Holdings and such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal year occurring in 2013 or earlier, such comparative figures do not need to include Holdings), all audited by Moss Adams LLP or other independent public accountants of recognized national standing reasonably acceptable to the Administrative Agent (it being understood and agreed that the "Big Four" accounting firms are

acceptable to the Administrative Agent) and accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit, except as related solely to the maturity of any of the ~~Loans or the Revolving~~ Loans (or any loans from a Permitted Refinancing of any of the ~~Revolving~~ Loans) during the immediately succeeding twelve-month period) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or for the fiscal quarters ending March 31, 2015 and June 30, 2015, no later than October 31, 2015) after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2013), its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of Holdings and such Subsidiaries during such fiscal quarter and the then-elapsed portion of the fiscal year of the Borrower, together with the comparative figures for the same periods in the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal quarter occurring in the fiscal quarter ending September 30, 2013 or earlier, such comparative figures do not need to include Holdings), all certified by one of the Financial Officers of Holdings or the Borrower, as the case may be, as fairly presenting the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of the Financial Officer of the Borrower (a "***Compliance Certificate***") (i) certifying that no Event of Default has occurred or, if such an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail, together with supporting calculations, demonstrating compliance (or noncompliance) with the covenant contained in Section 6.10;

(d) (i) concurrently with any delivery of financial statements under paragraph (a) or (b) above, (A) a list of any Intellectual Property registered with the United States Patent and Trademark Office or the United States Copyright Office acquired since the last such list delivered pursuant to this Section 5.04(d) (or since the Closing Date, in the case of the first such list delivered after the Closing Date); and (B) an updated Schedule 3.28(a) (if necessary); and (ii) concurrently with any delivery of financial statements under paragraph (a) above, a list of any Intellectual Property registered in countries other than the United States;

(e) within 30 days after the beginning of each fiscal year of the Borrower, a detailed consolidated budget for such fiscal year presented on a quarter by quarter basis;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with any Governmental Authority or securities exchange, or distributed to its shareholders generally in their capacity as shareholders, as the case may be;

(g) promptly after the receipt thereof by Holdings, the Borrower or any of their Subsidiaries, a copy of any final "management letter" received by any such Person from its certified public accountants and the management's response thereto;

(h) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act; and

(i) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Holdings, the Borrower or any Subsidiary (including for purposes of obtaining and maintaining credit ratings in respect of the Borrower), or compliance with the terms of any Loan Document, in each case, as the Administrative Agent may reasonably request in writing.

SECTION 5.05. ***Litigation and Other Notices***.

Furnish to the Administrative Agent prompt written notice of the following upon any Loan Party's knowledge thereof:

(a) the occurrence of any Default or Event of Default, specifying the nature and extent thereof, the date of occurrence thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written (including by email or other electronic means) threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Holdings, the Borrower and its Subsidiaries in an aggregate amount exceeding $1,000,000;

(d) any development or event that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(e) any default or event of default (in each case, after taking into account applicable cure or grace periods) under any Contractual Obligation (other than the Loan Documents) of Holdings, the Borrower or any of their respective Subsidiaries that would reasonably be expected to have a Material Adverse Effect;

(f) any notices of default received by any Loan Party from, or notices of default furnished to, any holder which is not an Affiliate of Holdings of Material Indebtedness and not otherwise required to be furnished to the Administrative Agent or the Lenders pursuant to any other clause of this Section 5.05 (together with copies thereof); and

(g) any damage or destruction to Collateral that is reasonably and in good faith determined by Borrower to be in an amount in excess of $1,000,000.

SECTION 5.06. ***Information Regarding Collateral***. Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name (as defined in Section 9-503(a) of the UCC), (ii) in the jurisdiction of organization or formation of any Loan Party, (iii) in any Loan Party's corporate structure or chief executive office location or (iv) in any Loan Party's Federal Taxpayer Identification Number (if any). Unless otherwise approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld, delayed or conditioned), Holdings and the Borrower agree not to, and shall cause the other Loan Parties not to, effect or permit any change referred to in the preceding sentence unless any documents are delivered (or are substantially concurrently with the action

effecting such change delivered) to the Collateral Agent that are required to be filed under the UCC so that the Collateral Agent, after the filing of such documents by the Collateral Agent, will continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral, with the priority required hereunder and under the Security Documents.

SECTION 5.07. ***Maintaining Records; Access to Properties and Inspections***. Keep proper books of record that are true and correct in all material respects and maintain a system of accounting that enables Holdings and the Borrower to produce financial statements in accordance with GAAP or such other accounting principles as may be consented to by the Administrative Agent. Holdings and the Borrower shall, and shall cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent to visit and inspect the financial records (other than ~~the~~any fee letter related to any loans or Indebtedness that are not the ~~Revolving~~ Loans hereunder) and the properties of such Person at reasonable times up to one time during any twelve consecutive month period (but without such frequency limit during the continuance of an Event of Default) following reasonable prior written notice and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent to discuss the affairs, finances and financial condition of such Person with the officers thereof and independent accountants therefor; *provided* that (a) the Administrative Agent shall give the Borrower and the Sponsor an opportunity for its representatives to participate in any such discussions and (b) so long as no Event of Default has occurred and is then continuing, the Borrower and the other Loan Parties shall not bear the cost of more than one such visit or inspection (combined) per any twelve consecutive month period by the Administrative Agent and Lenders (and their respective representatives and other Related Parties).

SECTION 5.08. ***Use of Proceeds***. Use the proceeds of the Loans solely (i) to fund the Existing Debt Refinancing, (ii) to pay fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection with the Loans, the Existing Debt Refinancing and the other Transactions, and (iii) for working capital and other general corporate purposes of Holdings and its Subsidiaries, and to make capital expenditures, acquisitions, Investments, distributions and Restricted Payments permitted by this Agreement from time to time.

SECTION 5.09. ***Employee Benefits***.

(a) Cause each Employee Benefit Plan to comply in all respects with its terms and the applicable provisions of ERISA and the Code, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect, and furnish to the Administrative Agent as soon as possible after, and in any event within 10 days after any Responsible Officer of Holdings, the Borrower or any Subsidiary knows that any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of Holdings, the Borrower or any Subsidiary in an aggregate amount exceeding $1,000,000, a statement of a Financial Officer of Holdings or the Borrower setting forth details as to such ERISA Event and the action, if any, that Holdings or the Borrower proposes to take with respect thereto.

(b) Upon reasonable request by the Administrative Agent, furnish copies of (i) annual report (Form 5500 Series) filed by any Loan Party or any Subsidiary thereof or any of its ERISA Affiliates with respect to each Employee Benefit Plan; (ii) the most recent actuarial valuation report for each Plan, to the extent such exists; (iii) all notices received by any Loan Party or any of its ERISA Affiliates from a Multiemployer Plan sponsor or any governmental agency concerning an ERISA Event; and (iv) such other information, documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request in writing.

SECTION 5.10. ***Compliance with Environmental Laws***. Comply with all Environmental Laws applicable to its operations and properties and obtain and renew all material environmental permits necessary for its operations and properties, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect; and conduct any remedial action required by Environmental Laws; *provided*, *however*, that none of Holdings, the Borrower or any Subsidiary shall be required to undertake any remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.11. ***Preparation of Environmental Reports***. If an Event of Default caused by reason of a breach of Section 3.16 or Section 5.10 shall have occurred and be continuing for more than 20 days without Holdings, the Borrower or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, provide to the Lenders within 45 days after such request, at the reasonable expense of the Loan Parties, an environmental site assessment report regarding the matters that are the subject of such Event of Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and the Borrower and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or remedial action in connection with such Event of Default.

SECTION 5.12. ***Further Assurances***.

(a) ~~Subject to the Intercreditor Agreement, execute~~Execute any and all further documents, agreements and instruments, and take all further action (including delivering UCC and other financing statements with respect to the Collateral to the Collateral Agent for filing to the extent required under applicable law or any Security Documents that may be required hereunder), or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request in writing, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant and perfect the validity and first priority (subject to Liens permitted by Section 6.02) of the security interests created by the Security Documents to the extent required hereby or by the Security Documents. ~~Subject to the Intercreditor Agreement, in~~In addition, from time to time, the Borrower will, at its reasonable cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected security interests with respect to such of its assets and properties and the assets and property of its Subsidiaries that are Loan Parties as the Administrative Agent or the Required Lenders shall designate in writing to the extent required hereby or by the Security Documents to constitute "Collateral" (it being understood that it is the intent of the parties that the Obligations shall be secured by all the Collateral of the Loan Parties (including certain owned real property and other properties acquired subsequent to the Closing Date)). ~~Subject to the Intercreditor Agreement, such~~Such security interests and Liens in the Collateral will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent and the Borrower, and the Borrower shall deliver or cause to be delivered to the Collateral Agent all such instruments and documents (it being understood that mortgages, deeds of trust, legal opinions and title insurance policies shall only be required with respect to Material Domestic Real Property) as the Collateral Agent shall reasonably request to effectuate the foregoing requirements in this Section 5.12. In furtherance of the foregoing, the Borrower will give prompt notice to the Administrative Agent of the acquisition by it or any of the Subsidiaries that are Loan Parties of (i) any owned Material Domestic Real Property and (ii) any Material Foreign Assets.

(b) Within ten (10) Business days of the consummation of any Permitted Acquisition of any Person organized in the United States by any of the Loan Parties that is a Wholly Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), or within ten (10) Business Days of the formation by any of the Loan Parties of any Person organized in the United States that is a Wholly

Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), the Borrower shall cause such Person so acquired or formed to be designated as a Subsidiary Guarantor of the Obligations. Such Person shall become a Loan Party by executing the Guarantee and Collateral Agreement (or a joinder thereto). In addition, (i) such Person shall execute and deliver such Security Documents as the Administrative Agent, the Collateral Agent or the Required Lenders may reasonably request to grant a Lien in respect of substantially all of its real and personal property in favor of the Collateral Agent and the Lenders as required hereby or by the Guarantee and Collateral Agreement to constitute "Collateral", and (ii) the Loan Parties directly owning Equity Interests in such Person shall pledge all such Equity Interests (other than Excluded Equity) in such Person, in each case, subject to the limitation in clauses (c) and (d) below. Notwithstanding anything to the contrary in any Loan Document, with respect to any assets or property (other than Material Foreign Assets) of any Loan Party not located in the United States (which shall, for the avoidance of doubt, include Intellectual Property registered in a jurisdiction outside the United States), no action to create or perfect a security interest or Lien shall be taken or required to be taken with respect to such assets, other than, to the extent required under the Guarantee and Collateral Agreement, the applicable Loan Party granting a security interest and Lien on such assets under the Guarantee and Collateral Agreement and the filing of UCC financing statements (including amendments thereto); *provided*, however, that the foregoing shall not limit any Loan Party's obligations to pledge Equity Interests in Foreign Subsidiaries (other than Excluded Equity) to the extent required hereunder or under the Guarantee and Collateral Agreement.

(c) Notwithstanding anything to the contrary, no Foreign Subsidiary shall be required to (i) grant a security interest in its assets to secure the Obligations or (ii) guarantee the Obligations.

(d) In the event that any Loan Party forms or acquires a Foreign Subsidiary or Foreign Subsidiary Holdco after the date hereof, the Borrower will promptly notify the Collateral Agent of that fact and cause such Loan Party to execute and deliver to the Collateral Agent such documents and instruments and take such further actions as may be necessary, or in the reasonable opinion of the Collateral Agent, desirable to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a Lien on all of the Equity Interests in such Foreign Subsidiary or Foreign Subsidiary Holdco held by such Loan Party (other than, in each case, Excluded Equity). Notwithstanding anything herein to the contrary, (A) all Loan Documents covering any foreign assets that are Collateral (including, without limitation, any Equity Interests of Foreign Subsidiaries that are Collateral) shall be governed by New York law, (B) no foreign law creation actions, perfection actions or other actions shall be required with respect to any Collateral, and (C) no foreign law opinion letters or foreign law governed documents shall be required with respect to any Collateral, in each case, other than with respect to, at the option of the Collateral Agent, Material Foreign Assets.

ARTICLE VI

Negative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), neither Holdings nor the Borrower will, nor will they cause or permit any of the Subsidiaries to:

SECTION 6.01. ***Indebtedness***. Incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any Permitted Refinancings thereof;

(ii) Indebtedness created hereunder and under the other Loan Documents (including, without limitation, any Indebtedness incurred pursuant to Section ~~2.22~~2.23);

(iii) Indebtedness ~~incurred under either (a) the Revolving Loan Agreement and the Revolving Loan Documents (including, without limitation, guarantees of the Loan Parties in respect of such Indebtedness and cash management and swap obligations) and any Permitted Refinancing thereof subject in each case to the Intercreditor Agreement or (b)~~ in respect of letters of credit or incurred under a letter of credit facility~~, on terms and conditions reasonably satisfactory to the Administrative Agent,~~ providing for the issuance of letters of credit thereunder, in each case, for an ~~aggregate face~~ amount available to be drawn not to exceed $~~5,000,000~~500,000 in the aggregate;

(iv) intercompany Indebtedness of the Borrower and the Subsidiaries to the extent permitted by Section 6.04(iii);

(v) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (for the avoidance of doubt, in each case, excluding Capital Lease Obligations and Synthetic Lease Obligations) and Permitted Refinancings thereof; *provided* that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(v), when combined with the aggregate principal amount of all Capital Lease Obligations and Synthetic Lease Obligations incurred pursuant to Section 6.01(vi) shall not exceed the Permitted Capital Lease Amount at any time outstanding;

(vi) Capital Lease Obligations and Synthetic Lease Obligations in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(v), not in excess of the Permitted Capital Lease Amount at any time outstanding;

(vii) Indebtedness in respect of (x) appeal bonds or similar instruments and (y) payment, bid, performance or surety bonds, or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits, letters of credit and banker's acceptances issued for the account of Holdings or any of its Subsidiaries in each case listed under this clause (y), in the ordinary course of business, and including guarantees or obligations of Holdings or any of its Subsidiaries with respect to letters of credit supporting such appeal, payment, bid, performance or surety or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits (in each case other than for Indebtedness for money borrowed);

(viii) Indebtedness under any Hedging Agreement permitted under Section 6.04(vi); *provided* that if such Hedging Agreement relates to interest rates, (i) the obligations under such Hedging Agreement relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such obligations under such Hedging Agreement at the time incurred does not exceed the principal amount of the Indebtedness to which such obligations under such Hedging Agreement relate;

(ix) (A) Contingent Obligations of any Loan Party of Indebtedness of any other Loan Party, (B) Contingent Obligations by any Subsidiary that is not a Loan Party of Indebtedness of any Loan Party, its Subsidiaries or its joint ventures or (C) Contingent Obligations of any Loan Party of Indebtedness of any Subsidiary or joint venture of any Loan Party that is not a Loan Party with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.01 (and with respect to clause (C) above only, when combined with the aggregate amount of Investments, loans or advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and Section 6.04(iii), in each case without duplication, do not exceed the Permitted Non-Loan Party Investment Amount) (including, without limitation, guarantees in respect of any Permitted Refinancings thereof); *provided*, that if the Indebtedness that is being guarantied is unsecured and/or subordinated to the Obligations, the guaranty shall also be unsecured and/or subordinated to the Obligations, in each case on terms no less favorable (taken as a whole) to the Lenders than the subordination terms (taken as a whole) of the Indebtedness so guarantied;

(x) (A) Indebtedness of any Person that becomes a Subsidiary after the date hereof, which Indebtedness is existing at the time such Person becomes a Subsidiary of the Borrower (other than Indebtedness incurred in contemplation of or in connection with such Person becoming a Subsidiary) in an aggregate amount not in excess of $1,000,000 at any time outstanding and (B) Indebtedness secured by assets purchased by a Loan Party in a Permitted Acquisition that is assumed by such Loan Party (other than Indebtedness incurred in contemplation of or in connection with such purchase) in an aggregate amount not in excess of $1,000,000 at any time outstanding;

(xi) Indebtedness incurred in the ordinary course of business in connection with cash pooling arrangements, netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs, cash management and other similar arrangements incurred in the ordinary course of business;

(xii) to the extent any such items constitute Indebtedness, Indebtedness arising from agreements of Holdings, the Borrower or any Subsidiary providing for indemnification, contribution, earn-out, adjustment of purchase price or similar obligations, in each case incurred or assumed in connection with any Permitted Acquisition or Disposition otherwise permitted under this Agreement; *provided* that the amount of all earn-outs shall not exceed $3,000,000 in the aggregate from the Closing Date to the Maturity Date;

(xiii) unsecured Indebtedness consisting of Indebtedness owing to a seller incurred in connection with a Permitted Acquisition in an aggregate amount outstanding not to exceed $2,000,000; *provided* that such Indebtedness is subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(xiv) Indebtedness representing any Taxes, assessments or governmental charges to the extent such Taxes are being contested in good faith and adequate reserves have been provided therefor in conformity with GAAP;

(xv) Indebtedness of Foreign Subsidiaries not in excess of $625,000 at any time outstanding;

(xvi) Indebtedness representing deferred compensation or similar obligations to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(xvii) Indebtedness consisting of obligations of the Borrower and its Subsidiaries under deferred compensation or other similar arrangements with employees incurred by such Person in connection with Permitted Acquisitions or any other Investments permitted hereunder constituting acquisitions of Persons or businesses or divisions;

(xviii) Indebtedness incurred in the ordinary course of business with respect to customer deposits and other unsecured current liabilities not the result of borrowing and not evidenced by any note or other evidence of Indebtedness;

(xix) Indebtedness consisting of (A) the financing of insurance premiums or (B) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xx) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(xxi) Indebtedness arising as a direct result of judgments, orders, awards or decrees against Holdings or any of its Subsidiaries, in each case not constituting an Event of Default;

(xxii) Indebtedness consisting of promissory notes issued by any Loan Party or its Subsidiaries to current or former officers, directors and employees (or their estates, spouses or former spouses) of any Loan Party or any Subsidiary issued to purchase or redeem capital stock of Holdings permitted by Section 6.06(a);

(xxiii) Subordinated Indebtedness in an aggregate principal amount not exceeding $500,000 at any time outstanding;

(xxiv) unsecured Indebtedness of Holdings to its Subsidiaries at such times and in such amounts necessary to permit Holdings to receive any Restricted Payment permitted to be made to Holdings pursuant to Section 6.06, so long as, as of the applicable date of determination, a Restricted Payment for such purposes would otherwise be permitted to be made pursuant to Section 6.06; *provided* that that any such Indebtedness shall be deemed to utilize on a dollar-for-dollar basis the relevant basket under Section 6.06;

(xxv) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in Section 6.01(i) through (xxiv) above; and

(xxvi) other Indebtedness of the Borrower or its Subsidiaries in an aggregate principal amount not exceeding $1,000,000 at any time outstanding (of which $1,000,000 at any time can be secured).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such Dollar-denominated restriction shall be

deemed not to have been exceeded so long as the principal amount of such extension, replacement, refunding, refinancing, renewal or defeasance of Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, plus an amount equal to unpaid accrued interest and premium thereon, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including, without limitation, attorney's fees) incurred in connection with such extension, replacement, refunding, refinancing, renewal or defeasance.

To the extent otherwise constituting Indebtedness, the accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall be deemed not to be Indebtedness for purposes of this Section 6.01. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

SECTION 6.02. ***Liens***. Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including the Borrower or any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(i) Liens on property or assets of the Borrower and the Subsidiaries existing on the date hereof and set forth in Schedule 6.02 and any Permitted Refinancing thereof; *provided* that such Liens shall secure only those obligations that they secure on the date hereof or Permitted Refinancing thereof as applicable;

(ii) any Lien created under the Security Documents or the other Loan Documents;

(iii) any Lien existing on any property or asset prior to the acquisition, construction or improvement thereof by the Borrower or any Subsidiary or existing on any property or assets of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Holdings, the Borrower or any Subsidiary and (iii) such Lien secures only those obligations (excluding the amount of any premiums or penalties and accrued and unpaid interest paid thereon and the amount of fees, costs and expenses incurred in connection therewith) that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be;

(iv) Liens for Taxes not yet due or that are being contested in compliance with Section 5.03;

(v) Landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction contractor's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue for a period of more than 30 days and payable or that are being contested in compliance with Section 5.03;

(vi) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(vii) deposits to secure the performance of bids, trade contracts (other than for Indebtedness for borrowed money), governmental contracts and leases (other than Capital Lease Obligations or Synthetic Lease Obligations), statutory obligations, surety, stay, custom and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(viii) zoning restrictions, easements, rights-of-way, title exceptions, survey exceptions, covenants, reservations, restrictions, encroachments, protrusions, conditions, licenses, building codes, minor defects or irregularities in title and other similar encumbrances affecting real property, restrictions on use of real property and other similar encumbrances incurred that, in the aggregate, do not materially adversely detract from the value and the use of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries (taken as a whole);

(ix) Liens with respect to Capital Lease Obligations and purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any Subsidiary; *provided* that (i) such security interests secure Indebtedness permitted by Section 6.01(v) or 6.01(vi), (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the Indebtedness secured thereby does not exceed 100% of the cost of such real property, improvements or equipment at the time of such acquisition (or construction) *plus* unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection therewith and (iv) such security interests do not apply to any other property or assets of the Borrower or any Subsidiary other than any proceeds and/or replacements thereof;

(x) Liens on property or assets of a Person (other than any Equity Interests in any Person) existing at the time the assets of such Person are acquired or such Person is merged into or consolidated with the Holdings, the Borrower or any Subsidiary or becomes a Subsidiary of Holdings, the Borrower or any Subsidiary; *provided* that any such Lien (i) was not created in contemplation of or in connection with such asset purchase, merger, consolidation or investment and (ii) does not extend to any assets (other than improvements thereon) other than those acquired in such asset purchase and those assets of the Person merged into or consolidated with Holdings, the Borrower or such Subsidiary or acquired by Holdings, the Borrower or such Subsidiary;

(xi) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to (i) cash and Permitted Investments on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank or banks with respect to cash management and operating account arrangements, and (ii) financial assets on deposit in one or more securities accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the securities intermediaries with which such accounts are maintained, securing amounts owing to such securities intermediaries with respect to services rendered in connection with such securities accounts;

(xii) precautionary filings of financing statements under the Uniform Commercial Code of any applicable jurisdictions in respect of operating leases or consignments entered into by Holdings, the Borrower or the Subsidiaries in the ordinary course of business;

(xiii) Liens arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xiv) ~~either (a) Liens securing the Indebtedness under the Revolving Loan Agreement and the other Revolving Loan Documents and any Permitted Refinancing thereof, subject to the Intercreditor Agreement or (b)~~ Liens on cash collateral securing Indebtedness permitted under Section 6.01(iii)~~(b)~~ and Liens on cash collateral for the letter of credit listed on Schedule 6.01 and any Permitted Refinancings thereof in lieu of the security interest granted or security provided in respect of such letter of credit described on Schedule 6.02; *provided* that the aggregate amount of cash collateral subject to the Liens permitted under this Section 6.02(xiv~~)(b~~) shall not exceed 105% of the aggregate face amount of all outstanding letters of credit issued and outstanding under the applicable letter of credit or letter of credit facility;

(xv) (A) Liens on insurance policies and the proceeds thereof securing insurance premium financing permitted hereunder and (B) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings or any of its Subsidiaries;

(xvi) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Borrower or any Subsidiary in the ordinary course of business;

(xvii) Liens on the assets of Foreign Subsidiaries that secure Indebtedness permitted pursuant to Section 6.01(xv) (and related obligations);

(xviii) good faith earnest money deposits made in connection with a Permitted Acquisition or any other Investment or letter of intent or purchase agreement permitted hereunder;

(xix) Leases and subleases of the properties of any Loan Party or their Subsidiaries granted by such Person to third parties;

(xx) non-exclusive licenses and sublicenses in the ordinary course of business;

(xxi) Liens to the extent arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xxii) Liens (A) incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and (B) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(xxiii) other Liens securing Indebtedness not to exceed $1,000,000 in the aggregate at any time outstanding.

Notwithstanding anything to contrary hereunder or under any other Loan Document, no Liens (other than Liens permitted under clauses (ii)~~,~~ and (iv) ~~and (xiv)~~ shall be permitted on Equity Interests issued by the Borrower or any of its Subsidiaries which constitute Collateral.

SECTION 6.03. ***Sale and Lease-Back Transactions***. Enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer all of its right, title and interest to any property, real or personal with a fair market value in excess of $1,000,000, used or useful in its business,

whether now owned or hereafter acquired, contemporaneously or substantially contemporaneously therewith rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except to the extent (a) the sale or transfer of such property is permitted by Section 6.05 and, (b) any Capital Lease Obligations, Synthetic Lease Obligations or Liens arising in connection therewith are permitted by Section 6.01 and Section 6.02, as the case may be.

SECTION 6.04. ***Investments***. Purchase, hold, make or acquire any Investments, any other Person, except:

(i) (A) Investments by Holdings, the Borrower and the Subsidiaries existing on the date hereof in the Equity Interests of the Borrower and the Subsidiaries and (B) additional Investments by Holdings, the Borrower and the Subsidiaries in the Equity Interests of the Borrower and the Subsidiaries; *provided* that (x) any such Equity Interests (other than Excluded Equity) held by a Loan Party shall be pledged pursuant to the Guarantee and Collateral Agreement (subject to the limitations and exclusions referred to therein) and (y) the aggregate amount of Investments made by Loan Parties after the date hereof in Subsidiaries that are not Loan Parties (determined without regard to any write downs or write-offs of such Investments), when combined with the aggregate amount of loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(iii) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount;

(ii) Permitted Investments;

(iii) loans or advances made by any Loan Parties or their Subsidiaries to any other Loan Party (except with respect to Section 6.01(xxiv), other than Holdings), Subsidiary or a Subsidiary of a Loan Party or joint ventures thereof; *provided* that the aggregate amount of such loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties (determined without regard to any write-downs or write-offs of such loans and advances), when combined with the aggregate amount of Investments made by Loan Parties after the date hereof in Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount at any time outstanding and shall be evidenced by a promissory note to the extent required by the Guarantee and Collateral Agreement;

(iv) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(v) Holdings, the Borrower and its Subsidiaries may make loans and advances in the ordinary course of business (including for travel, entertainment and relocation expenses) to their respective officers, directors and employees so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed $500,000;

(vi) the Borrower and its Subsidiaries may enter into Hedging Agreements that are not speculative in nature;

(vii) the Borrower and any Subsidiary may acquire all or substantially all the assets of a Person or line of business of such Person, or not less than 90% of the Equity Interests (other than directors' qualifying shares) of a Person (referred to herein as the "***Acquired Entity***") provided that (I) the Borrower shall comply, and shall cause the Acquired Entity to comply (in each case, to the extent applicable), with the applicable provisions of Section 5.12 and the Security Documents and (II) such transactions meet the following criteria (or such criteria is waived) in one of the three clauses of (A), (B) and (C) below (any acquisition of an Acquired Entity meeting all the criteria in one of clauses of (A), (B) and (C) (or having any such criteria waived) of this Section 6.04(vii) being referred to herein as a "***Permitted Acquisition***"):

(A) Other than an acquisition satisfying the criteria set forth in clause (B) or clause (C), such acquisition satisfies the following:

(i) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition;

(ii) the Consolidated Leverage Ratio shall not be greater than 0.74 to 1 on a pro forma basis after giving effect to such acquisition; and

(iii) the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with paragraphs (A)(i) and (A)(ii) of this Section 6.04(vii) and containing reasonably detailed calculations in support of paragraph (A)(ii) of this Section 6.04(vii);

(B) such acquisition is funded solely with the Equity Interests of Holdings or proceeds from any issuance of Equity Interests by Holdings (in each case, not constituting Disqualified Stock); or

(C) such acquisition is funded with cash or Permitted Investments of Holdings, the Borrower or any Subsidiary, and both (a) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition and (b) immediately after giving effect to such acquisition and the use of any cash or Permitted Investments of Holdings, the Borrower or any Subsidiary for such acquisition, Liquidity shall not be less than $3,000,000;

(viii) Contingent Obligations permitted by Section 6.01;

(ix) prepaid expenses or lease, utility and other similar deposits, in each case made in the ordinary course of business;

(x) Investments consisting of any deferred portion (including promissory notes and non cash consideration) of the sales price received by Holdings, the Borrower or any Subsidiary in connection with any Disposition permitted hereunder;

(xi) advances of payroll payments to employees, officers, directors and managers of Holdings, the Borrower and any Subsidiaries in the ordinary course of business;

(xii) extensions of trade credit or the holding of receivables in the ordinary course of business and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such account debtors or suppliers;

(xiii) the Borrower and its Subsidiaries may endorse negotiable instruments and other payment items for collection or deposit in the ordinary course of business or make lease, utility and other similar deposits in the ordinary course of business;

(xiv) Investments of any Person that becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower on or after the date hereof on the date such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower; provided that (i) such Investments exist at the time such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary, and (ii) such Investments are not made in anticipation or contemplation of such Person becoming (or merging or consolidating or amalgamated with) a Subsidiary;

(xv) advances in connection with purchases of goods or services in the ordinary course of business;

(xvi) Investments to the extent that payment for such Investments is made solely with Qualified Capital Stock of Holdings or Equity Interests of any direct or indirect parent company of Holdings; and

(xvii) Investments consisting of good faith deposits made in accordance with Section 6.02(xviii);

(xviii) (i) Investments outstanding on the Closing Date and identified on Schedule 6.04 and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any Investment described in clause (i) above; *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment on the Closing Date except pursuant to the terms of such Investment as of the Closing Date or pursuant to another Investment otherwise permitted by this Section 6.04;

(xix) promissory notes or other obligations of directors (or comparable position), officers or other employees of a Loan Party or any of its Subsidiaries acquired in the ordinary course of business in connection with such directors' (or comparable position), officers' or employees' acquisition of Equity Interests in such Loan Party or such Subsidiary (to the extent such acquisition is permitted under this Agreement), (A) so long as no cash is advanced by the Borrower or any of its Subsidiaries that are Loan Parties in connection with such Investment or (B) if paid in cash, in an aggregate amount not to exceed $1,000,000 at any time outstanding;

(xx) any Loan Party or any of its Subsidiaries may make a loan that could otherwise be made as a distribution permitted under Section 6.06 (with a commensurate dollar-for-dollar reduction of their ability to make additional distributions under such Section); provided that any such loan made by a Loan Party and shall be evidenced by a promissory note and pledged to the Collateral Agent to the extent required by the Guarantee and Collateral Agreement;

(xxi) Investments to the extent constituting the reinvestment of the Net Asset Sale Proceeds arising from any Asset Sale or Net Insurance/Condemnation Proceeds arising from any Casualty Event to repair, replace or restore any property in respect of which such proceeds were paid or to reinvest in other properties or assets that are used or are otherwise useful in the business of the Loan Parties and their Subsidiaries; and

(xxii) in addition to Investments permitted by paragraphs (i) through (xxi) above, additional Investments by the Borrower and the Subsidiaries so long as the aggregate amount invested pursuant to this paragraph (xxii) (determined without regard to any write-downs or write-offs of such Investments, but net of cash returns thereon) does not exceed $1,500,000.

SECTION 6.05. ***Consolidations, Dispositions of Assets and Acquisitions***. Enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), transfer or otherwise Dispose of, in one transaction or a series of transactions, all or any part of its business, property or assets (including its notes or receivables and Equity Interests of a Subsidiary, whether newly issued or outstanding), whether now owned or hereafter acquired, except:

(i) any Subsidiary of the Borrower may be merged with or into the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor; *provided* that, in the case of such a merger, the Borrower or such Wholly Owned Subsidiary shall be the continuing or surviving Person;

(ii) any Subsidiary of the Borrower that is not a Guarantor may be merged with or into any Subsidiary of the Borrower that is not a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to any Subsidiary of the Borrower that is not a Guarantor;

(iii) the Borrower and its Subsidiaries may sell or otherwise Dispose of assets in transactions that do not constitute Asset Sales;

(iv) the Borrower and its Subsidiaries may Dispose of obsolete, worn out or surplus property in the ordinary course of business;

(v) the Borrower and its Subsidiaries may make Asset Sales; *provided* that (a) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof; (b) at least 75% of such consideration received shall be cash; (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto; and (d) the proceeds of such Asset Sales shall be applied to the extent required by Section 2.11(~~a~~b);

(vi) in order to resolve disputes that occur in the ordinary course of business, the Borrower and its Subsidiaries may sell, transfer, discount, forgive, cancel or otherwise compromise for less than the face value thereof, notes or accounts receivable;

(vii) the Borrower or a Subsidiary may Dispose of Equity Interests of any of its Subsidiaries solely to qualify directors of the Governing Body of the Subsidiary if, and to the extent, required by applicable law;

(viii) any Person may be merged with or into the Borrower or any Subsidiary if the acquisition of the Equity Interests of such Person by the Borrower or such Subsidiary would have been permitted pursuant to Section 6.04(vii); *provided* that (a) in the case of the Borrower, the Borrower shall be the continuing or surviving entity, (b) if a Subsidiary is not the surviving or continuing Person, the surviving Person becomes a Subsidiary and complies with the provisions of Section 5.12 (to the extent required thereby and subject to the limitations and exceptions set forth therein) and (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto;

(ix) the Loan Parties may engage in transactions that are excluded from the definition of "Asset Sale" by the parenthetical following clause (iii) thereof;

(x) the lapse or abandonment in the ordinary course of business of any Intellectual Property that is, in the reasonable business judgment of the Borrower, immaterial or no longer economically practicable to maintain;

(xi) Dispositions of property to the Borrower or a Subsidiary; *provided*, that if the transferor of such property is a Loan Party (a) the transferee thereof must be a Loan Party (other than Holdings) or (b) such Investment must be a permitted Investment in a Subsidiary that is not a Loan Party in accordance with Section 6.04;

(xii) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property; provided that to the extent the property being transferred constitutes Collateral, such replacement property shall constitute Collateral;

(xiii) (A) Investments permitted pursuant to Section 6.04, (B) transactions permitted pursuant to Section 6.03, (C) Liens in compliance with Section 6.02 and (D) Restricted Payments in compliance with Section 6.06;

(xiv) (x) leases and subleases of real or personal property in the ordinary course of business and (y) non-exclusive licenses and sublicenses of Intellectual Property or other property;

(xv) sales of non-core assets acquired in connection with any Permitted Acquisitions;

(xvi) use of cash and Disposition of Permitted Investments in the ordinary course of business;

(xvii) Dispositions resulting from Casualty Events; and

(xviii) the unwinding or terminating of Hedging Agreement.

To the extent the Required Lenders or all the Lenders, as applicable, waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, such Collateral (unless sold to a Loan Party) shall be sold automatically free and clear of the Liens created by the Security Documents and the Agents shall, at the reasonable cost and expense of the Borrower, take all actions they reasonably deem appropriate in order to effect the foregoing.

SECTION 6.06. ***Restricted Payments; Restrictive Agreements***.

(a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so; *provided*, *however*, that (i) any Subsidiary of the Borrower may declare and pay dividends or make other distributions ratably to its equity holders, (ii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed

the Permitted Restricted Payment Amount in any fiscal year of the Borrower to the extent necessary to pay independent director fees incurred by Holdings in the ordinary course of business, (iii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed $250,000 in any fiscal year of the Borrower, (and Holdings may make a corresponding Restricted Payment to the Sponsor or its Affiliates) to the extent necessary to pay reasonable general corporate or other entity and overhead expenses (including franchise or similar Taxes, other than Taxes in the nature of an income Tax, which is covered by Permitted Tax Distributions, but excluding fees to independent directors) incurred by Holdings or the Sponsor or its Affiliates (limited, in the case of the Sponsor and any of its Affiliates, to amounts directly related to its indirect ownership interests in the Borrower) or pay any indemnification amounts or other amounts described in Section 6.07(v) below owed to Holdings or the Sponsor or its Affiliates, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (iv) the Borrower may pay to Holdings, and Holdings may pay to its direct or indirect parent companies, Permitted Tax Distributions; (v) Holdings, the Borrower and the Subsidiaries may make Restricted Payments in the form of distributions payable solely in the common stock, other common Equity Interests or other Qualified Capital Stock of such Person; (vi) the Borrower and Holdings may make (directly or indirectly) Permitted Founder Distributions; (vii) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, payments may be made to Holdings (or any direct or indirect parent company of Holdings) to permit Holdings (or any such direct or indirect parent company of Holdings) to repurchase or redeem Qualified Capital Stock of Holdings (or any direct or indirect parent company) held by current or former officers, directors or employees (or their transferees, spouses, ex-spouses, estates or beneficiaries under their estates) of any Loan Party or their Subsidiaries, upon their death, disability, retirement, severance or termination of employment or service or to make payments on Indebtedness issued to buy such Qualified Capital Stock upon their death, disability, retirement, severance or termination of employment or service; *provided* that the aggregate cash consideration (for the avoidance of doubt excluding cancellation of Indebtedness owed by such person) paid for all such redemptions and payments shall not exceed, in any fiscal year, the sum of (I) $1,000,000, *plus* (II) the net cash proceeds of any "key-man" life insurance policies of any Loan Party or its Subsidiaries that have not been used to make any repurchases, redemptions or payments under this clause (vii) *provided further*, that any Restricted Payments or payments permitted to be made (but not made) pursuant to subclause (I) of this clause (vii) in a given fiscal year of Holdings may be carried forward and made in succeeding fiscal years of Holdings; *provided further* that during an Event of Default any payments described in this clause may accrue and shall be permitted to be paid when no Event of Default is continuing at such time; (viii) Restricted Payments may be made solely in Equity Interests of Holdings (other than Disqualified Stock), (ix) repurchases of Equity Interests may be made by Holdings upon the occurrence of the exercise of Equity Interest options if the Equity Interests represent a portion of the exercise price thereof and (x) distributions of proceeds of the Initial Term Loans to Holdings to effectuate the Existing Debt Refinancing on the Closing Date; *provided*, *however*, that (A) (x) the amount of cash dividends paid pursuant to clauses (iii) and (iv) to enable Holdings to pay Taxes at any time shall not exceed the amount of such Taxes actually owing by Holdings (or such applicable parent company) at such time and (y) any refunds (including in respect of Taxes) received by Holdings shall promptly be returned by Holdings to the Borrower as cash common equity contributions and (B) any Permitted Founder Distributions made pursuant to clause (vi) are subject to (1) the Loan Parties having no net operating losses (without taking into account any interest tax deduction) that have not been utilized to offset net income for any prior relevant period at the time such Permitted Founder Distribution is made, (2) the sum of (x) net income (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, plus (y) interest expense (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, for the most recently ended fiscal year, exceeding $0, (3) immediately after giving effect to any such distribution, Liquidity being greater than or equal to $3,000,000 and (4) the aggregate amount of all such Permitted Founder Distributions made during the term of this Agreement not exceeding $8,000,000.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Holdings, the Borrower or any Wholly Owned Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (ii) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to guarantee Indebtedness of the Borrower or any other Subsidiary; *provided* that (A) the foregoing shall not apply to restrictions and conditions imposed by law or regulation or by any Loan Document ~~or the Revolving Loan Document or any Permitted Refinancing thereof~~ or any agreement or document related to the Indebtedness permitted by Section 6.01(iii) or the Liens on cash collateral permitted by Section 6.02(xiv), (B) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary (or its assets) pending such sale, provided such restrictions and conditions apply only to the Subsidiary or such assets that is (or are) to be sold and such sale is permitted hereunder, (C) clause (i) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (D) clause (i) of the foregoing shall not apply to customary provisions in leases, subleases, licenses, sublicenses and other contracts restricting the assignment thereof, (E) the foregoing shall not apply with respect to (i) any agreement (including with respect to Indebtedness) in effect at the time any Person becomes a Subsidiary of the Borrower; *provided*, that such agreement was not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, (ii) restrictions under agreements evidencing or governing or otherwise relating to Indebtedness of any Subsidiaries that are not Loan Parties permitted under Section 6.01; *provided* that such Indebtedness is only with respect to the assets of any Subsidiaries that are not Loan Parties, (iii) customary provisions in joint venture agreements, limited liability company operating agreements, partnership agreements, stockholders agreements, other Organizational Documents and other similar agreements, (iv) customary anti-assignment provisions in licenses and other contracts restricting the sublicensing or assignment thereof, (v) pursuant to Contractual Obligations that (y) exist on the Closing Date and (z) to the extent Contractual Obligations permitted by this clause (v) are set forth in an agreement evidencing Indebtedness or any agreement evidencing any Permitted Refinancing thereof so long as such Permitted Refinancing does not expand the scope of such Contractual Obligation, and (vi) restrictions in connection with cash or other deposits permitted under Section 6.02.

SECTION 6.07. ***Transactions with Affiliates***. Except for (i) transactions between or among Loan Parties, (ii) Investments permitted by Section 6.04, and Indebtedness permitted by Section 6.01, and Liens permitted by Section 6.02, (iii) Dispositions, mergers, consolidations and dissolutions permitted by Section 6.05(i), (iv) Restricted Payments permitted by Section 6.06, (v) reimbursements of costs and expenses of the Sponsor or its Affiliates or any indemnities provided to the Sponsor or its Affiliates, in each case, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements and severance agreements, in each case approved by the Governing Body of Holdings, any direct or indirect parent entity of Holdings or the applicable Subsidiary of Holdings, (vii) transactions under the Loan Documents ~~, the Revolving Loan Documents (and any Permitted Refinancing thereof)~~ and the Related Documents, (viii) Dispositions of Qualified Capital Stock of Holdings to Affiliates of Borrower or Holdings not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith, (ix) the Transactions, (x) the transactions with Velocity Technology Solutions, Inc. or its Affiliates that are approved by all disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of Holdings and (xi) the transactions set forth on Schedule 6.07, and any amendment or modification with respect to such transactions, and the performance of obligations thereunder, so long as such amendment or modification is not materially adverse to the interests of the Lenders, sell or transfer any property or assets to, or

purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except that the Borrower or any Subsidiary may engage in any of the foregoing transactions at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties; *provided* that if such Affiliate transaction both (1) does not meet one of the exceptions in clauses (i) through (xi) above and (2) involves aggregate payments or value in excess of $1,000,000, the Borrower shall either obtain written approval for such Affiliate transaction from (y) all of the disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of the Borrower or such Subsidiary, as applicable or (z) the Administrative Agent.

SECTION 6.08. ***Business of Holdings, Borrower and Subsidiaries***.

(a) With respect to Holdings, engage in any business activities prohibited by Section 6.13; and

(b) With respect to the Borrower and each of its Subsidiaries, engage at any time in any business or business activity other than the business conducted by it on the date hereof and any business reasonably related, similar, ancillary, complementary or incidental thereto or reasonable extensions thereof.

SECTION 6.09. ***Other Indebtedness and Agreements, etc.***

(a) Make any distribution, whether in cash, property, securities or a combination thereof, other than regularly scheduled payments of principal and interest and premiums and fees as and when due (to the extent not prohibited by applicable subordination provisions), in respect of, or pay, or directly or indirectly redeem, repurchase, retire or otherwise acquire for consideration, any Subordinated Indebtedness unless permitted by the applicable subordination agreement, except (i) with respect to any Permitted Refinancing thereof, (ii) to the extent made with the proceeds of Qualified Capital Stock of Holdings, (iii) with respect to the Existing Debt Refinancing on the Closing Date, (iv) with respect to converting (or exchanging) any Indebtedness to (or for) Qualified Capital Stock of Holdings, (v) any AHYDO payments with respect thereto so long as no Event of Default is continuing or would immediately result therefrom and (vi) so long as no Event of Default is continuing, making prepayments, redemptions, repurchases, retirement, defeasance or other satisfaction of Indebtedness in an amount not to exceed $500,000 per year; or

(b) Pay in cash any amount in respect of any Indebtedness (other than interest payable under this Agreement), Disqualified Stock or preferred Equity Interests that may at the obligor's option be paid in kind or in other securities, in each case, at a time (but only at such time) when PIK Interest is being paid (as opposed to all cash interest) on the Initial Term Loans and 2016 Term Loans pursuant to Section 2.06;

(c) Pay any Management Fees.

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SECTION 6.10. ***Maximum Consolidated Leverage Ratio***. Permit the Consolidated Leverage Ratio as of the last day of each period set forth below to be greater than the ratio set forth opposite such period below:

Four Fiscal Quarters Ending	Ratio
Four fiscal quarters ending September 30, 2014	1.0 to 1.0
Four fiscal quarters ending December 31, 2014	1.0 to 1.0
Four fiscal quarters ending March 31, 2015	0.99 to 1.0
Four fiscal quarters ending June 30, 2015	0.99 to 1.0
Four fiscal quarters ending September 30, 2015	0.99 to 1.0
Four fiscal quarters ending December 31, 2015	0.99 to 1.0
Four fiscal quarters ending March 31, 2016	0.97 to 1.0
Four fiscal quarters ending June 30, 2016	0.97 to 1.0
Four fiscal quarters ending September 30, 2016	0.97 to 1.0
Four fiscal quarters ending December 31, 2016	0.97 to 1.0
Four fiscal quarters ending March 31, 2017	0.94 to 1.0
Each four fiscal quarter period ending on March 31, June 30, September 30 and December 31 thereafter	0.94 to 1.0

SECTION 6.11. ***Fiscal Year***. Permit any of Holdings, the Borrower or any Subsidiary to change its fiscal year end to a date other than December 31.

SECTION 6.12. ***Amendments or Waivers of Documents Relating to Subordinated Indebtedness, Certain Documents and Equity Interests.***

(a) ***Amendments of Documents Relating to Certain Indebtedness***. Amend, waive, supplement, modify or otherwise change the terms of ~~(i)~~ any Subordinated Indebtedness in a way that is expressly prohibited by the terms of the applicable subordination agreement (as in effect the date the Borrower acknowledges or agrees in writing to the terms of such subordination agreement or as amended in an amendment approved in writing by the Borrower)~~, or (ii) the Revolving Loan Documents except pursuant to the terms of the Intercreditor Agreement or pursuant to a Permitted Refinancing thereof~~.

(b) ***Amendments of Certain Documents***. Make any amendment, waiver, restatement, supplement or other modification to such Person's Organizational Documents in any manner materially adverse to the Lenders without in each case obtaining the prior written consent of the Administrative Agent to such amendment, waiver, restatement, supplement or other modification; *provided* that, for the avoidance of doubt, Holdings may issue Equity Interests so long as such issuance is not otherwise prohibited by this Agreement, and may amend or modify its Organizational Documents to authorize the issuance of any such Equity Interests.

SECTION 6.13. ***Conduct of Business by Holdings.*** With respect to Holdings, engage in any business or activity, hold any assets or incur any Indebtedness or other liabilities, other than (i) the ownership of all outstanding Equity Interests in the Borrower, (ii) maintaining its corporate existence, (iii) participating in tax, accounting and other administrative activities as a member of the consolidated group of companies including the Loan Parties, (iv) executing, delivering and the performance of rights and obligations under the Loan Documents, ~~the Revolving Loan Documents,~~ the Related Documents, the Acquisition Agreement and related documents to which it is a party, (v) performance of rights and obligations under the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) making any Restricted Payment permitted by Section 6.06, (vii) purchasing Qualified Capital Stock of Borrower, (viii) making capital contributions to Borrower, (ix) executing, delivering and the performance of rights and obligations under any employment agreements and any documents related thereto, (x) the making of loans to officers, the Governing Body, and employees in exchange for Equity Interests of Holdings purchased by such officers, Governing Body, or employees pursuant to Section 6.04 and the acceptance of notes related thereto and (xi) activities incidental to the businesses or activities described in clauses (i)-(x) above.

ARTICLE VII

Events of Default

SECTION 7.01. ***Events of Default.*** In case of the happening of any of the following events ("***Events of Default***"):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest or premium on any Loan or any Fee or any other amount (other than an amount referred to in (a) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three days;

(c) any representation or warranty made or deemed made to any Agent or Lender in or in connection with or pursuant to any Loan Document or the Loans made hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall be false or misleading in any material respect when so made, deemed made or furnished (except to the extent already qualified by materiality, in which case it shall not be false or misleading in any respect);

(d) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in Section 4.02, Section 5.01(a), Section 5.01(b) (solely to the extent the failure to comply has resulted in a Material Adverse Effect), Section 5.04(b) (and such default shall continue unremedied for a period of ten days), Section 5.05(a), Section 5.08, or in Article VI (*provided* that any failure to comply with Section 6.10 shall be subject to cure pursuant to Section 7.02);

(e) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) or any Related Document and such default shall continue unremedied for a period of 30 days after the earlier of (i) written notice thereof from the Administrative Agent or any Lender to the Borrower and (ii) knowledge thereof by a Responsible Officer of Holdings or the Borrower;

(f) (i) Holdings, the Borrower or any Subsidiary shall fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any cure periods); or (ii) any other event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment (other than customary mandatory prepayments), repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (ii) shall not apply to secured Indebtedness that becomes due solely as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), or of all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), under the Bankruptcy Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or (iii) the winding-up or liquidation of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary); and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking relief under the Bankruptcy Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) become unable, admit in writing its liability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Holdings, the Borrower, any Subsidiary (other than any Immaterial Subsidiary) or any combination thereof and the same shall remain undischarged, unstayed, unvacated and unbonded for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) to enforce any such judgment and such judgment either (i) is for the payment of money in an aggregate amount in excess of $1,125,000 generally and $3,000,000 with respect to unpaid state taxes (after giving effect to insurance (and taking into account any deductibles) as to which Holdings, the Borrower or any Subsidiary has promptly submitted or will promptly submit a written claim in respect thereof to the applicable insurance carrier and the insurance carrier has not denied liability by an appropriate proceeding and is solvent and not an Affiliate of Holdings, the Borrower or any of its Subsidiaries) or (ii) is for injunctive relief and could reasonably be expected to result in a Material Adverse Effect;

(j) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of the Borrower, Holdings or any Subsidiary in an aggregate amount exceeding $1,000,000;

(k) any guarantee under the Guarantee and Collateral Agreement for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Guarantor shall deny in writing that it has any further liability under the Guarantee and Collateral Agreement (other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) any security interest purported to be created by any Security Document shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected, first priority (subject to Lien permitted by Section 6.02) security interest in the securities, assets or properties purported to be covered thereby (other than any Collateral that both (x) has a fair market value of not more than $375,000 in the aggregate, and (y) is not material to the operations, business or prospects of any Loan Party) other than by reason of action or inaction by the Collateral Agent, the Administrative Agent, the Lenders, the other Secured Parties or their Related Parties;

(m) any Subordinated Indebtedness of Holdings, the Borrower or any Subsidiary constituting Material Indebtedness shall cease (or any Loan Party or an Affiliate of any Loan Party shall so assert), for any reason, to be validly subordinated to the Obligations as provided in the agreements evidencing such Subordinated Indebtedness; or

(n) the Acquisition shall be unwound by a final, non-appealable judgment of a court of competent jurisdiction;

then, and in every such event (other than an event with respect to any of the Loan Parties described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such an Event of Default, the Administrative Agent may, and at the written request of the Required Lenders shall, by written notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable (and accrued interest thereon), together with the Applicable Prepayment Premium (other than in the case of acceleration of the Loans due to the Loan Parties' breach of the covenant set forth in Section 6.10) for the prepayment date with respect to such principal amount paid and accrued interest thereon, and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to any of the Loan Parties described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding (and accrued interest thereon), together with the Applicable Prepayment Premium for the prepayment date with respect to such principal amount paid and accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Collateral Agent shall have the right to enforce all of the Liens created pursuant to the Security Documents and exercise on behalf of itself and the other Secured Parties all rights and remedies available to it and the other Secured Parties under the Loan Documents or applicable law, including the right to appoint a receiver.

If the Obligations are accelerated for any reason, including because of default, Disposition or encumbrance (including that by operation of law or otherwise), the Applicable Prepayment Premium will also be due and payable on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans and/or the 2016 Term Loans that has been capitalized and added to principal~~) of the~~ of such Initial Term Loans or 2016 Term Loans, as applicable) of such Initial Term Loans or 2016 Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), as though said indebtedness was voluntarily prepaid and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. Any Applicable Prepayment Premium payable ~~above~~pursuant to the immediately preceding sentence shall be presumed to be the liquidated damages sustained by each ~~Lender~~such Initial Term Loan Lender or 2016 Term Loan Lender, as applicable, as the result of the early termination and the Borrower agrees that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans or 2016 Term Loans that has been capitalized and added to principal of such Initial Term Loans or 2016 Term Loans, as applicable) of such Initial Term Loans or 2016 Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), in the event the Obligations (and/or this Agreement or the Notes evidencing the Obligations) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. THE BORROWER EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREPAYMENT PREMIUM ON THE OUTSTANDING PRINCIPAL AMOUNT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, PIK INTEREST ON THE INITIAL TERM LOANS OR 2016 TERM LOANS THAT HAS BEEN CAPITALIZED AND ADDED TO PRINCIPAL OF SUCH INITIAL TERM LOANS OR 2016 TERM LOANS, AS APPLICABLE) OF SUCH INITIAL TERM LOANS OR 2016 TERM LOANS, AS APPLICABLE IN CONNECTION WITH ANY SUCH ACCELERATION. The Borrower expressly agrees that: (A) the Applicable Prepayment Premium on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans or 2016 Term Loans that has been capitalized and added to principal of the Initial Term Loans or 2016 Term Loans, as applicable) of the Initial Term Loans or 2016 Term Loans, as applicable, is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans or 2016 Term Loans that has been capitalized and added to principal of the Initial Term Loans or 2016 Term Loans, as applicable) of the Initial Term Loans or 2016 Term Loans, as applicable, shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Lenders and the Borrower giving specific consideration in this transaction for such agreement to pay the Applicable Prepayment Premium; and (D) the Borrower shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrower expressly acknowledges that its agreement to pay the Applicable Prepayment Premium ~~to~~on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans or 2016 Term Loans that has been capitalized and added to principal of such Initial Term Loans or 2016 Term Loans, as applicable) of the Initial Term Loans or 2016 Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), to such Lenders as herein described is a material inducement to the Initial Term Loan Lenders and the 2016 Term Loan Lenders, as applicable, to make the ~~Loans~~Initial Term Loans and the 2016 Term Loans, as applicable.

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SECTION 7.02. ***Right to Cure.***

(a) Notwithstanding anything to the contrary contained in Section 7.01, in the event that the Borrower fails to comply with the requirements of the covenant set forth in Section 6.10, during the period beginning on the first day following the applicable fiscal quarter (i.e., the last fiscal quarter in the period of non-compliance with the covenant set forth in Section 6.10) until the expiration of the 15th day subsequent to the date the Compliance Certificate to be delivered pursuant to Section 5.04(c) for such fiscal quarter is required to be delivered (the "***Cure Date***"), Holdings shall have the right to use cash proceeds of any equity contribution (in the form of Qualified Capital Stock) to Holdings during such period (any such equity contribution to Holdings to exercise the Cure Right pursuant to this Section, a "***Cure Contribution***") or any issuance of Equity Interests by Holdings (other than any issuance of Disqualified Stock) during such period (any such Equity Interests issued by Holdings to exercise the Cure Right pursuant to this Section, "***Cure Securities***") to make an equity contribution to, or purchase equity of, the Borrower in each case, in the form of Qualified Capital Stock (collectively, the "***Cure Right***"), and upon the receipt by the Borrower of such cash (the "***Cure Amount***") pursuant to the exercise by Holdings of such Cure Right and written request to the Administrative Agent to effect such recalculation, the covenant set forth in Section 6.10 shall be recalculated giving effect to the following pro forma adjustments:

(i) Consolidated Revenue shall be increased for such fiscal quarter (and any four fiscal quarter-period that includes such fiscal quarter), solely for the purpose of measuring the covenant set forth in Section 6.10 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the covenant set forth in Section 6.10, the Borrower shall be deemed to have satisfied the requirements of the covenant set forth in Section 6.10 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the covenant set forth in Section 6.10 that had occurred shall be deemed cured for the purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary (i) in each four consecutive fiscal-quarter period there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) during the term of this Agreement, the Cure Right may be exercised no more than four times, (iii) the Cure Amount shall be no greater than the amount required for purposes of causing the Borrower to comply with the covenant set forth in Section 6.10, (iv) subject to Section 2.11(j), the proceeds of a Cure Contribution or Cure Securities shall be used to prepay the outstanding Initial Term Loans ~~(~~and 2016 Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis (and, in each case and notwithstanding anything to the contrary in this Agreement, such prepayment shall not be subject to the Applicable Prepayment Premium) and the Loans shall be deemed repaid for the purposes of recalculating the covenant set forth in Section 6.10.

(c) Upon the Administrative Agent's receipt of a notice from the Borrower that it intends to exercise the Cure Right (a "***Notice of Intent to Cure***"), until the 15th day subsequent to the date of required delivery of the related Compliance Certificate delivered pursuant to Section 5.04(c) to which such Notice of Intent to Cure relates, neither the Administrative Agent nor any Lender shall exercise the right to accelerate payment of the Loans or terminate or suspend the Commitments nor take any other remedy pursuant to Section 7.01 or otherwise and neither the Collateral Agent nor any other Lender shall exercise any right to foreclose on or take possession of the Collateral solely on the basis of an allegation of an Event of Default having occurred and being continuing under Section 7.01 due to failure by the Borrower to comply with the requirements of the covenant set forth in Section 6.10 for the applicable period.

ARTICLE VIII

The Administrative Agent and the Collateral Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the "***Agents***") its agent and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

The Person serving as the Administrative Agent and/or the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such Person and its affiliates may provide debt financing, equity capital or other services (including financial advisory services) to any of the Loan Parties (or any Person engaged in similar business as that engaged in by any of the Loan Parties) as if such Person was not performing the duties specified herein, and may accept fees and other consideration from any of the Loan Parties for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the Person serving as the Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction. Neither Agent nor any Lender shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent or such Lender by Holdings, the Borrower or a Lender, and neither Agent nor any Lender shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any 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 Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent or such Lender.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit ~~Facility~~Facilities as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, either Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default), to appoint a successor other than any Excluded Lender. If no successor shall have been so appointed by the Required Lenders (with the Borrower's written consent, subject to the limitations on consent in the immediately preceding sentence) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent (other than any Excluded Lender) with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default) which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor (who shall not be an Excluded Lender and any attempted appointment of an Excluded Lender shall be absolutely void *ab initio)*, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. If within 30 days after written notice is given of the resigning Agent's resignation under this Article VIII no successor Agent shall have been appointed and shall have accepted such appointment, then on such 30th day (a) the retiring Agent's resignation shall become effective, (b) the retiring Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (c) the Required Lenders shall thereafter perform all duties of the retiring Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent that is not an Excluded Lender as provided above. The Borrower shall pay the reasonable and documented out-of-pocket fees of a successor Agent that is not an Excluded Lender and that is not appointed in violation of this paragraph. After an Agent's resignation hereunder, the provisions of this Article VIII and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Each Lender hereby further authorizes the Collateral Agent, on behalf of and for the benefit of Lenders, to enter into ~~the Intercreditor Agreement and into~~ each Security Document as secured party and to be the agent for and representative of the Lenders thereunder, and each Lender agrees to be bound by the terms of each Security Document ~~and the Intercreditor Agreement~~; *provided* that the Collateral Agent shall not (i) enter into or consent to any material amendment, modification, termination or waiver of any provision contained in any Security Document ~~or the Intercreditor Agreement~~ or (ii) release any Collateral (except as otherwise expressly permitted or required pursuant to the terms of this Agreement ~~, the Intercreditor Agreement~~ or the applicable Security Document), in the case of each of clauses (i) and (ii) without the prior consent of Required Lenders (or, if required pursuant to Section 9.08, all Lenders); *provided further, however,* that, without further written consent or authorization from the Lenders, the Collateral Agent may execute any documents or instruments necessary to (a) release any Lien encumbering any item of Collateral (1) that is the subject of a sale or other Disposition of assets permitted by this Agreement, the other Loan Documents or to which Required Lenders have otherwise consented or (2) upon the payment in full of the Obligations (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), (b) release any Subsidiary Guarantor from the Guarantee and Collateral Agreement if all of the Equity Interests of such Subsidiary Guarantor are sold or otherwise Disposed of to any Person (other than an Affiliate of a Loan Party) pursuant to a sale or other Disposition permitted hereunder or under any of the other Loan Documents or to which Required Lenders have otherwise consented or (c) subordinate the Liens of the Collateral Agent, on behalf of the Secured Parties, to any Liens permitted by Section 6.02. Anything contained in any of the Loan Documents to the contrary notwithstanding, Holdings, the Borrower, the Collateral Agent and each Lender hereby agree that (1) no Lender shall have any right individually to realize upon any of the Collateral under or otherwise enforce any Security Document ~~or the Intercreditor Agreement~~, it being understood and agreed that all powers, rights and remedies under the Security Documents ~~and the Intercreditor Agreement~~ may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (2) in the event of a foreclosure by either on any of the Collateral pursuant to a public or private sale, either Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Collateral Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Notwithstanding anything to the contrary herein, the Collateral Agent shall be permitted to take any action it is authorized to take under any Loan Document ~~or the Intercreditor Agreement~~.

In case of the pendency of any case or proceeding under the Bankruptcy Code or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.05, Section 2.13, Section 2.17, and Section 9.05) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.05 and Section 9.05.

ARTICLE IX

Miscellaneous

SECTION 9.01. ***Notices***. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to Holdings or the Borrower, to them at Blackline Systems, Inc., 21300 Victory Blvd., 12th Floor, Woodland Hills, CA 91367, Attention: Controller (Fax No.: (818 223-9081) and Email: accounting @blackline.com), with a copy (which shall not constitute notice) to: (a) Silver Lake Sumeru Fund, L.P., 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025, Attention: Jason Babcoke (Fax No.: (650) 234-2526 and Email: Jason.Babcoke@SilverLake.com and (2) Kirkland & Ellis LLP, 555 California Street, San Francisco, CA 94104, Attention: Christopher Kirkham (Fax No.: (415) 439-1500 and Email: christopher.kirkham@kirkland.com);

(ii) if to the Administrative Agent, to Obsidian Agency Services, Inc., c/o Tennenbaum Capital Partners, LLC, 2951 28th Street, Suite 1000, Santa Monica, California 90405, Attention: Asher Finci (Fax No. (310) 889-4950 and Email: asher.finci@tennenbaumcapital.com), with a copy (which shall not constitute notice) to Proskauer Rose LLP, 2049 Century Park East, Suite 3200, Los Angeles, California 90067, Attention: Steven O. Weise and Glen K. Lim (Fax No. (310) 557-2193 and Email: sweise@proskauer.com and glim@proskauer.com); and

(iii) if to a Lender, to it at its address (or fax number) set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date 5 Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Holdings, the Borrower, the Administrative Agent and the applicable Lenders from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 9.02. ***Survival of Agreement***. All covenants, agreements, representations and warranties made by Holdings or the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the

Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other Obligation (other than contingent indemnity claims or expense reimbursement obligations not yet asserted) payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated. The provisions of Section 2.12, Section 2.13, Section 2.17 and Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03. ***Binding Effect.*** This Agreement shall become effective when it shall have been executed by Holdings, the Borrower, the Collateral Agent and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04. ***Successors and Assigns.***

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of Holdings, the Borrower, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees (which, for the avoidance of doubt, shall not be any Excluded Lender) all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), with the prior written consent of the Borrower and the Administrative Agent (not to be unreasonably withheld or delayed); *provided*, *however,* that (i) the consent of the Borrower shall not be required to any such assignment made (A) to another Lender or an Affiliate of a Lender, or (B) after the occurrence and during the continuance of any Designated Event of Default; *provided* that, notwithstanding anything to the contrary in this Agreement, the Borrower shall retain its right to consent in writing to an assignment to any Excluded Lender at all times, (ii) unless otherwise consented to in writing by the Borrower and the Administrative Agent, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to when such assignment is delivered to the Administrative Agent) shall be in an integral multiple of, and not less than, $1,000,000 (or, if less, the entire remaining amount of such Lender's Commitment or Loans), (iii) the parties to each such assignment shall manually execute and deliver to the Administrative Agent an Assignment and Acceptance, together with, unless waived by the Administrative Agent, a processing and recordation fee of $3,500 (*provided* that only one such fee shall be payable in the case of concurrent assignments to Persons that, after giving effect to such assignments, will be Related Funds), and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of, and subject to the requirements of, Section 2.12, Section 2.13, Section 2.17 and Section 9.05).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto (including the Borrower) as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) or delivered pursuant to Section 5.04 and such other documents and information as it has deemed reasonably appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at its principal executive offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). Absent manifest error, the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and, if required, the written consent of the Administrative Agent and, if required, the Borrower to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) notify the Borrower of such acceptance. The Administrative Agent shall promptly record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e). This Section 9.04(e) shall be construed so that any Commitment, Loan or other Obligation under the Loan Documents is in registered form under Section 5f103-1(c) of the United States Treasury Regulations.

(f) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other Persons (in each case, other than to an Excluded Lender) in all or a portion of its rights and obligations under this Agreement (including all or a portion of its

Commitment and the Loans owing to it); *provided, however,* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other Persons shall be entitled to the benefit of the cost protection provisions contained in Section 2.12 and Section 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17 and it being understood that the documentation required under Section 2.17 shall be delivered to the participating Lender) to the same extent as if they were Lenders (but, with respect to any particular participant), to no greater extent than the Lender that sold the participation to such participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the participant acquired the applicable participation, (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable to such participating bank or Person hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such participating bank or Person has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such participating bank or Person has an interest, increasing or extending the Commitments in which such participating bank or Person has an interest or releasing any Guarantor (other than in connection with the sale of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral) and (v) such bank or other Person shall not be an Excluded Lender. Notwithstanding anything to the contrary, no Lender shall enter into any agreement with any participant that will permit such participant to influence or control the voting rights of such Lender with respect to the Loans or Obligations (and no participant shall have or receive any voting rights with respect to the Loans or Obligations) except with regard to (i) decreases in the principal amount of, or extending the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waiving or excusing any such payment or any part thereof, or decreasing the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than any waiver of any increase in the interest rate applicable to the Loans as a result of the occurrence of an Event of Default and other than any waiver or extension of any mandatory prepayment), (ii) increasing or extending the Commitment or decreasing or extending the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such participant, or (iii) amending or modifying the pro rata requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of Section 9.08(b)(i) - (iii).

(g) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be *prima facie* evidence absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary and commercially reasonable exceptions) to bound by or preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(i) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(j) Notwithstanding anything to the contrary contained herein, any Lender (a "***Granting Lender***") may grant to a special purpose funding vehicle that is not an Excluded Lender (an "***SPC***"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in the Loans to the Granting Lender or to any financial institutions that are not Excluded Lenders (consented to by the Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis (upon receiving a signed agreement to be bound to confidentiality provisions similar to those in Section 9.16) any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. A Granting Lender that transfers all or any portion of its Loan to an SPC shall maintain a register that complies with the requirements set forth in Section 9.04(g).

(k) Neither Holdings nor the Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender. Notwithstanding anything to the contrary, any attempted assignment that is not permitted by the terms hereunder shall be absolutely void *ab initio*.

SECTION 9.05. ***Expenses; Indemnity.***

(a) Holdings and the Borrower agree, jointly and severally, to pay all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees

(limited to one transactional counsel and one local counsel in each relevant jurisdiction) and reasonable and documented out-of-pocket fees, costs and expenses of accountants, advisors and consultants, incurred by the Administrative Agent, the Collateral Agent and their one counsel in the negotiation, preparation and administration of this Agreement and the other Loan Documents including reasonable and documented out-of-pocket travel costs and costs and expenses (not to exceed $7,500 in any fiscal year of Holdings related to the obtaining and maintenance of credit ratings) or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or relating to efforts to evaluate or assess any Loan Party, its business or financial condition or protect, evaluate, assess or Dispose of any of the Collateral; and all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees (limited to one transactional counsel and one local counsel in each relevant jurisdiction), fees, costs and expenses of accountants, advisors and consultants and costs of settlement, incurred by the Administrative Agent, the Collateral Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the other Loan Documents (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Loan Documents) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings. Notwithstanding the foregoing, the parties hereto agree that Holdings, the Borrower and the other Loan Parties shall not be required to pay costs and expenses incurred on or prior to the Closing Date in connection with the primary syndication of the Credit Facility and the negotiation, preparation and administration of this Agreement and the other Loan Documents in excess of $300,000.

(b) Holdings and the Borrower agree, jointly and severally, to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and to hold each Indemnitee harmless from, any and all losses (other than lost profits), claims, damages, liabilities and related expenses, including reasonable and documented out-of-pocket counsel fees of one counsel and one local counsel in each relevant jurisdiction, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto or the plaintiff or defendant thereunder (and regardless of whether such matter is initiated by a third party, a Lender, or by Holdings, the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or its Affiliates, (B) result from a successful claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's material obligations hereunder or under any other Loan Document or (C) arise from disputes arising solely among Indemnitees that do not involve any act or omission by any Loan Party or its Affiliates (other than claims, damages, liabilities and related expenses against an Agent acting solely in its capacity as such, but not with respect to any other Person that is party to such dispute with an Agent).

(c) To the extent that Holdings and the Borrower fail to pay any amount required to be paid by them to the Administrative Agent or the Collateral Agent under paragraph (a) or (b) of this Section

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9.05(c), each Lender severally agrees to pay to the Administrative Agent or the Collateral Agent, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Collateral Agent in its capacity as such. For purposes hereof, a Lender's "*pro rata* share" shall be determined based upon its share of the sum of the outstanding Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, neither Holdings nor the Borrower shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable within 10 Business Days of demand therefor.

SECTION 9.06. ***Right of Setoff.*** If an Event of Default shall have occurred and be continuing, each Secured Party is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Secured Party to or for the credit or the account of Holdings or the Borrower against any of and all the obligations of Holdings or the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Secured Party, irrespective of whether or not such Secured Party shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Secured Party under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party may have.

SECTION 9.07. ***Applicable Law.*** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. ***Waivers; Amendment.***

(a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on Holdings or the Borrower in any case shall entitle Holdings or the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, Holdings and the Required Lenders; *provided, however,* that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than any waiver of any increase in the interest rate applicable to the Loans as a result of the occurrence of an Event of Default and other than any waiver or extension of any mandatory prepayment), (ii) increase or extend the Commitment or decrease or extend the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such Lender, (iii) amend or modify the *pro rata* requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of this Section 9.08(b) or release any Guarantor (other than in connection with the sale or other disposition of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral, without the prior written consent of each Lender, (iv) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(j) without the written consent of such SPC, ~~or~~ (v) without the written consent of the Required RL Lenders, amend, modify or waive any condition precedent set forth in Section 4.02 or amend the definition of "Required RL Lenders" or (vi) reduce the percentage contained in the definition of the term "Required Lenders" without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Commitments on the date hereof); *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent.

SECTION 9.09. ***Interest Rate Limitation.*** Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. ***Entire Agreement.*** This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. ***WAIVER OF JURY TRIAL.*** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. ***Severability.*** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. ***Counterparts.*** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14. ***Headings.*** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. ***Jurisdiction; Consent to Service of Process.***

(a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan

Documents in any court located in the City of New York, Borough of Manhattan, or of the United States of America sitting in the Southern District of New York. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. ***Confidentiality.*** Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, but only to the extent required or desirable in connection with such exercise or enforcement, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) to the extent not an Excluded Lender, any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Holdings, the Borrower or any Subsidiary or any of their respective obligations, (f) with the written consent of the Borrower or (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16 by any Agent, any Lender or any of their Related Parties. For the purposes of this Section 9.16, "Information" shall mean all information received from Holdings, the Borrower or any Subsidiary and related to Holdings, the Borrower or any Subsidiary or their business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by Holdings, the Borrower or any Subsidiary; *provided* that with respect to clause (c) above, if the Administrative Agent, the Collateral Agent or any Lender receives a subpoena, interrogatory or other request (verbal or otherwise) for any Information, or believes that it is legally required to disclose any of the Information to a third party, it shall, in advance of such disclosure, to the extent practicable and legally permissible, promptly provide to the Borrower written notice of any such request or requirement so that Borrower or the applicable Loan Party (or Subsidiary thereof) may seek a protective order or other remedy; *provided, further,* that it shall (1) exercise reasonable efforts to preserve the confidentiality of such Information, (2) to the extent legally permissible and practicable, use commercially reasonable efforts to provide Borrower, in advance of such disclosure, with copies of any Information it intends to disclose (and, if applicable, the text of the disclosure language itself), and (3) reasonably cooperate at the reasonable cost and expense of the Borrower with the Borrower or applicable Loan Party (or Subsidiary thereof) to the extent Borrower or such Loan Party (or Subsidiary thereof) seeks to limit such disclosures. Notwithstanding anything to the contrary herein or in any other Loan Document or otherwise, each of the Administrative Agent, the Collateral Agent and the Lenders agrees not to disclose any Information to any Excluded Lender under any circumstance. Except with respect to disclosing any Information to an Excluded Lender, any Person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information.

SECTION 9.17. ***USA PATRIOT Act Notice.*** Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Holdings, the Borrower and the Subsidiary Guarantors that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Holdings, the Borrower and the Subsidiary Guarantors, which information includes the name and address of Holdings, the Borrower and the Subsidiary Guarantors and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Holdings, the Borrower and the Subsidiary Guarantors in accordance with the USA PATRIOT Act.

[Signature pages follow]

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

~~SLS BREEZE INTERMEDIATE HOLDINGS, INC., as Holdings~~

~~By:~~ _____
~~Name:~~ _____
~~Title:~~ _____

~~BLACKLINE SYSTEMS, INC., as Borrower~~

~~By:~~ _____
~~Name:~~ _____
~~Title:~~ _____

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~~OBSIDIAN AGENCY SERVICES, INC., as Administrative Agent and Collateral Agent~~

~~By:~~ _____
~~Name:~~ _____
~~Title:~~ _____

~~[ADD SIGNATURE BLOCKS FOR LENDERS]~~

~~9335/74326-004 current/38542033v9~~
9699/74326-004 current/53284768v11

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

EXHIBIT B

Schedule 2.01 – Lenders and Commitments

Revolving Loan Commitments

RL Lender	Address	Revolving Loan Commitment
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Operating III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Total		$[***]

Initial Term Loan Commitments

Initial Term Loan Lender	Address	Initial Term Loan Commitment on the Closing Date	Initial Term Loan Principal Outstanding as of Second Amendment Effective Date
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]	$[***]
Tennenbaum Opportunities Fund VI, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]	$[***]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]	$[***]
Tennenbaum Senior Loan Operating III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]	$[***]
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]	$[***]
Total		$[***]	$[***]

2016 Term Loan Commitments

2016 Term Loan Lender	**Address**	**2016 Term Loan Commitment**
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Funding III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$[***]
Total		$[***]

EXHIBIT C

EXHIBIT A

FORM OF NOTICE OF BORROWING

_____ __, ____

Obsidian Agency Services, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
c/o Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, CA 90405
Attention: Asher Finci
Fax: (310) 889-4950

Re: BLACKLINE SYSTEMS, INC.

Reference is made to that certain Credit Agreement, dated as of September 25, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the lenders from time to time party thereto (the "***Lenders***"), and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.02(c) of the Credit Agreement that the undersigned hereby requests a borrowing of 2016 Term Loans (the "***Proposed Borrowing***") under the Credit Agreement and, in connection therewith, sets forth below the information relating to the Proposed Borrowing as required by Section 2.02(c) of the Credit Agreement:

(a) The date of the Proposed Borrowing is the Second Amendment Effective Date.

(b) The aggregate principal amount of the Proposed Borrowing is $5,000,000.

At the time of the Proposed Borrowing and also after giving effect thereto, (i) there is no Default or Event of Default, (ii) all representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition, and (iii) the Consolidated Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be delivered pursuant to Sections 5.04 (a) or (b) of the Credit Agreement and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00.

At the time of the Proposed Borrowing, no injunction or other restraining order has been issued and no hearing by any Person (other than any Secured Party or any Affiliate of a Secured Party) to cause an injunction or other restraining order to be issued is pending with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the making of the Proposed Borrowing on the Second Amendment Effective Date. Delivery of an executed counterpart of this Notice of Borrowing by facsimile or other electronic means (*e.g.*, "pdf" or "tif") shall be effective as delivery of an original executed counterpart of this Notice of Borrowing.

[Remainder of page intentionally left blank]

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF BORROWING]

EXHIBIT D

EXHIBIT A-1

FORM OF NOTICE OF REVOLVER BORROWING

_____ __, ____

Obsidian Agency Services, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
c/o Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, CA 90405
Attention: Asher Finci
Fax: (310) 889-4950

Re: BLACKLINE SYSTEMS, INC.

Reference is made to that certain Credit Agreement, dated as of September 25, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the lenders from time to time party thereto (the "***Lenders***"), and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.02(d) of the Credit Agreement that the undersigned hereby requests a borrowing (the "***Proposed Borrowing***") under the Credit Agreement and, in connection therewith, sets forth below the information relating to the Proposed Borrowing as required by Section 2.02(d) of the Credit Agreement:

(a) The date of the Proposed Borrowing is , (the "***Funding Date***")[1].

(b) The aggregate principal amount of the Proposed Borrowing is $.[2]

At the time of the Proposed Borrowing and also after giving effect thereto, (i) there is no Default or Event of Default and (ii) all representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition.

At the time of the Proposed Borrowing, no injunction or other restraining order has been issued and no hearing by any Person (other than any Secured Party or any Affiliate of a Secured Party) to cause an injunction or other restraining order to be issued is pending with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the making of the Proposed Borrowing on the Funding Date. Delivery of an executed counterpart of this Notice of Revolver Borrowing by facsimile or other electronic means (*e.g.*, "pdf" or "tif") shall be effective as delivery of an original executed counterpart of this Notice of Revolver Borrowing.

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1 The Funding Date shall be a Business Day. There shall be no more than one request for a Revolving Loan per calendar week.

2 The Proposed Borrowing shall be an integral multiple of $100,000 and not less than $500,000.

[Remainder of page intentionally left blank]

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF REVOLVER BORROWING]

EXHIBIT E

EXHIBIT B-1

FORM OF REVOLVING NOTE

$[•] _____ ___, 20__

FOR VALUE RECEIVED, the undersigned, BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***", together with all successors and assigns), promises to pay (hereinafter, together with its successors in title and permitted assigns, the "***Lender***") on the Maturity Date (as defined in the Credit Agreement referred to below) in lawful money of the United States and in immediately available funds, the principal amount of the lesser of (a) [•] ($[•]) and (b) the aggregate unpaid principal amount of all Revolving Loans of the Lender outstanding under the Credit Agreement referred to below at the Payment Office or such other place as the Lender might designate to the Borrower in writing from time to time. Borrower further agrees to pay interest, in like money at such office, on the unpaid principal amount of the Revolving Loans as may be due and owing from time to time at the rates, and on the dates, specified in Section 2.06 of the Credit Agreement. As used herein, the "***Credit Agreement***" means and refers to that certain Credit Agreement, dated as of September 25, 2013 (as such may be amended, restated, supplemented or otherwise modified from time to time) by and among the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

This Revolving Note is a "Revolving Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. This Revolving Note is also entitled to the benefits of the Guarantee and Collateral Agreement and is secured by the Collateral. The principal of, and interest on, the Revolving Loans shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. The Administrative Agent's books and records concerning the Revolving Loans, the accrual of interest and fees thereon and the repayment of such Revolving Loans shall be prima facie evidence of the indebtedness to the Lender hereunder, absent manifest error.

No delay or omission by the Administrative Agent, the Collateral Agent or the Lender in exercising or enforcing any of the Administrative Agent's, the Collateral Agent's or the Lender's powers, rights, privileges, remedies or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver.

The Borrower waives presentment, demand, notice and protest, and also waives any delay on the part of the holder hereof.

This Revolving Note shall be binding upon the Borrower and upon its permitted successors, assigns, and representatives, and shall inure to the benefit of the Lender and its permitted successors, endorsees and assigns. There are certain restrictions on the assignment and transfer of this Note and the obligations evidenced by this Note in the Credit Agreement (including, without limitation, in Section 9.04 of the Credit Agreement).

Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Revolving Note or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the Borrower and, by

its acceptance hereof, the Lender, hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the Borrower and, by its acceptance hereof, the Lender, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Revolving Note shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Revolving Note or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction. Each of the Borrower and, by its acceptance hereof, the Lender, irrevocably and unconditionally waives, to the fullest extent that it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Revolving Note in any court located in the City of New York, Borough of Manhattan, or the United States of America sitting in the Southern District of New York. Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

THIS REVOLVING NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Each of the Borrower and, by its acceptance hereof, the Lender, makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Administrative Agent and the Lender or the Borrower, as applicable, are each relying thereon. EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS REVOLVING NOTE.

[*Remainder of page intentionally left blank*]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, the undersigned has caused this Revolving Note to be duly executed and delivered by its duly authorized officer as of the date first above written.

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO FORM OF REVOLVING NOTE]

REVOLVING LOANS AND PAYMENTS

Date	Amount of Revolving Loan	Maturity Date	Payments of Principal/Interest	Principal Balance of Revolving Note	Name of Person Making this Notation

EXHIBIT F

EXHIBIT B

[FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS TERM NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT." BLACKLINE SYSTEMS, INC. WILL PROMPTLY MAKE AVAILABLE TO THE HOLDER HEREOF INFORMATION REGARDING THE ISSUE PRICE, ISSUE DATE, YIELD TO MATURITY, AMOUNT OF ORIGINAL ISSUE DISCOUNT (AND ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE TO THE HOLDER PURSUANT TO U.S. TREASURY REGULATIONS), UPON THE WRITTEN REQUEST OF SUCH HOLDER DIRECTED TO BLACKLINE SYSTEMS, INC., 21300 VICTORY BLVD., 12TH FLOOR, WOODLAND HILLS, CA 91367.][3]

FORM OF TERM NOTE

$[•] [ ], [ ]

FOR VALUE RECEIVED, the undersigned, BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***", together with all successors and assigns), promises to pay (hereinafter, together with its successors in title and permitted assigns, the "***Lender***"), the principal sum of [•] ($[•]), or such lesser amount as is outstanding from time to time, on the dates and in the amounts set forth in the Credit Agreement (as hereafter defined), with interest, fees, expenses and costs at the rate and payable in the manner stated in the Credit Agreement. As used herein, the "***Credit Agreement***" means and refers to that certain Credit Agreement, dated as of September 25, 2013 (as such may be amended, restated, supplemented or otherwise modified from time to time) by and among the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

This Term Note is a "Term Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The Term Loans evidenced by this Term Note are [Initial Term Loans][2016 Term Loans][Incremental Loans]. This Term Note is also entitled to the benefits of the Guarantee and Collateral Agreement and is secured by the Collateral. The principal of, and interest on, this Term Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. The Administrative Agent's books and records concerning the Term Loans covered by this Term Note, the accrual of interest and fees thereon and the repayment of such Term Loans shall be prima facie evidence of the indebtedness to the Lender hereunder, absent manifest error.

No delay or omission by the Administrative Agent, the Collateral Agent or the Lender in exercising or enforcing any of the Administrative Agent's, the Collateral Agent's or the Lender's powers, rights, privileges, remedies or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver.

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3 To be included only for Term Notes evidencing Initial Term Loans and 2016 Term Loans.

The Borrower waives presentment, demand, notice and protest, and also waives any delay on the part of the holder hereof. The Borrower assents to any extension or other indulgence (including, without limitation, the release or substitution of Collateral) permitted by the Administrative Agent, the Collateral Agent and/or the Lender with respect to this Term Note and/or any Security Document or any extension or other indulgence with respect to any other liability or any collateral given under the Loan Documents to secure any other liability of the Borrower or any other Person obligated on account of this Term Note.

This Term Note shall be binding upon the Borrower and upon its permitted successors, assigns, and representatives, and shall inure to the benefit of the Lender and its permitted successors, endorsees and assigns. There are certain restrictions on the assignment and transfer of this Term Note and the obligations evidenced by this Term Note in the Credit Agreement (including, without limitation, in Section 9.04 of the Credit Agreement).

Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Term Note or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the Borrower and, by its acceptance hereof, the Lender, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Term Note shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Term Note or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction. Each of the Borrower and, by its acceptance hereof, the Lender, irrevocably and unconditionally waives, to the fullest extent that it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Term Note in any court located in the City of New York, Borough of Manhattan, or the United States of America sitting in the Southern District of New York. Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

THIS TERM NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Each of the Borrower and, by its acceptance hereof, the Lender, makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Administrative Agent and the Lender or the Borrower, as applicable, are each relying thereon. EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS TERM NOTE.

[*Remainder of page intentionally left blank*]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, the undersigned has caused this Term Note to be duly executed and delivered by its duly authorized officer as of the date first above written.

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO FORM OF TERM NOTE]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

[INITIAL TERM][2016 TERM][INCREMENTAL] LOANS AND PAYMENTS

Date	Amount of [Initial Term] [2016 Term] [Incremental] Loan	Maturity Date	Payments of Principal/Interest	Principal Balance of Term Note	Name of Person Making this Notation

EXHIBIT G

EXHIBIT D

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this "***Assignment and Acceptance***") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "***Assignor***") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and[the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty (express or implied) by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

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1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

[for each Assignee *identify Lender*]

3. Borrower: BLACKLINE SYSTEMS, INC.

4. Administrative Agent: Obsidian Agency Services, Inc., including any successor thereto, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of September 25, 2013, among BLACKLINE SYSTEMS, INC., a California corporation, as the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, as Holdings, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the Administrative Agent and as Collateral Agent for the Lenders.

6. Assigned Interest:

a. Initial Term Loans

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Initial Term Loans for all Lenders[7]	Amount of Initial Term Loans Assigned	Percentage Assigned of Initial Term Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

b. 2016 Term Loans

Assignor[s][9]	Assignee[s][10]	Aggregate Amount of 2016 Term Loans for all Lenders[11]	Amount of 2016 Term Loans Assigned	Percentage Assigned of 2016 Term Loans[12]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
9 List each Assignor, as appropriate.
10 List each Assignee, as appropriate.
11 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
12 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

[c. Incremental Term Loans

Assignor[s][13]	Assignee[s][14]	Aggregate Amount of Incremental Term Loans for all Lenders[15]	Amount of Incremental Term Loans Assigned	Percentage Assigned of Incremental Term Loans[16]	CUSIP Number]
		$	$	%	
		$	$	%	
		$	$	%	

[c.][d.] Revolving Commitments

Assignor[s][17]	Assignee[s][18]	Aggregate Amount of Revolving Loan Commitments for all Lenders[19]	Amount of Revolving Loan Commitments Assigned	Percentage Assigned of Revolving Loan Commitments[20]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[7. Trade Date: [21]

Effective Date: , 20 [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

13 List each Assignor, as appropriate.
14 List each Assignee, as appropriate.
15 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
16 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
17 List each Assignor, as appropriate.
18 List each Assignee, as appropriate.
19 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
20 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
21 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

[Remainder of page intentionally left blank]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][22] Accepted:

OBSIDIAN AGENCY SERVICES, INC., as Administrative Agent

By: _____
Name:
Title:

[Consented to: BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:][23]

[SIGNATURE PAGE TO ASSIGNMENT AND ACCEPTANCE]

22 Administrative Agent's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.
23 Borrower's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; and (b) except as set forth in (a) above, makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of its obligations under the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it is legally authorized to enter into such Assignment and Acceptance; (ii) it meets all the requirements to be an assignee under Section 9.04(b) and (c) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.04(b) of the Credit Agreement); (iii) from and after the Effective Date referred to in this Assignment and Acceptance, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder; (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type; (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest and (vi) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, including but not limited to any documentation required pursuant to Section 2.17 of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) and Section 3.05(b) of the Credit Agreement or delivered pursuant to Section 5.04 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (d) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms of the Credit Agreement, together with such powers as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts (and by different parties hereto indifferent counterparts), each of which shall constitute an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by facsimile or other electronic imaging means (*e.g.*, "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the internal laws of the State of New York.

4. Eligible Assignee. Each Person who becomes a Lender under the Credit Agreement is required to meet the requirements of Section 9.04 of the Credit Agreement and to be an "Eligible Assignee". [The][Each] Assignor and [the][each] Assignee represent and warrant that they have each taken the necessary actions to confirm that [the][each] Assignee meets the requirements to be an "Eligible Assignee" under the Credit Agreement and the assignment evidence by the Assignment and Acceptance is in accordance with all provisions of the Credit Agreement, including, without limitation, Section 9.04 of the Credit Agreement.

EXHIBIT H

FORM OF SOLVENCY CERTIFICATE
of
BLACKLINE INTERMEDIATE, INC.
AND ITS SUBSIDIARIES

This Solvency Certificate is being executed and delivered on the date hereof pursuant to Section 5(a)(ii) of the Second Amendment and Waiver to Credit Agreement (the "***Amendment***"), dated as of the date hereof among BLACKLINE SYSTEMS, INC., a California corporation, BLACKLINE INTERMEDIATE, INC. (formerly known as SLS BREEZE INTERMEDIATE HOLDINGS, INC.), a Delaware corporation ("***Holdings***"), the lenders from time to time party thereto (the "***Lenders***") and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent (in such capacity, including any successor thereto, the "***Collateral Agent***"), amending that certain Credit Agreement dated as of September 25, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "***Credit Agreement***"), among Borrower, Holdings, lenders party thereto, the Administrative Agent and the Collateral Agent.

The undersigned hereby certifies, solely in his capacity as Chief Financial Officer of Holdings, as follows:

As of the date hereof, after giving effect to the transactions contemplated by the Amendment and the Credit Agreement, including the making of the 2016 Term Loans and the establishment of the Revolving Loan Commitments, and after giving effect to the application of the proceeds of the 2016 Term Loans:

a. The fair value of the assets of Holdings and its Subsidiaries, on a consolidated basis, at a fair valuation, exceeds, their debts and liabilities, subordinated, contingent or otherwise;

b. The present fair saleable value of the property of Holdings and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

c. Holdings and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and

d. Holdings and its Subsidiaries, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Second Amendment Effective Date.

For purposes of this Solvency Certificate, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

[Signature Page Follows]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate in such undersigned's capacity as chief financial officer of Holdings and its subsidiaries, on behalf of Holdings and its subsidiaries, and not individually, as of the date first stated above.

BLACKLINE INTERMEDIATE, INC.

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO SOLVENCY CERTIFICATE]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

EXHIBIT I

Schedule 3.07(a) – Subsidiaries

Current Legal Entities Owned (Directly)	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
BlackLine Systems, Inc.	BlackLine Intermediate, Inc.	001	1,000	100%/100%
BlackLine Systems Pty Ltd (Australia)	BlackLine Systems, Inc.	002	100	100%/100%
Blackline Systems Limited (UK)	BlackLine Systems, Inc.	002	100	100%/100%
BlackLine Systems, Ltd. (British Columbia, Canada)	BlackLine Systems, Inc.	CA2	65	100%/65%
BlackLine Systems SARL (France)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems Pte. Ltd. (Singapore)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems GmbH	BlackLine Systems, Inc.	—	25,000	100%/100%

EXHIBIT J

Schedule 3.08 – Litigation

None.

EXHIBIT K

Schedule 3.19(a) – Owned Real Property

None.

EXHIBIT L

Schedule 3.19(b) – Leased Real Property

- 21300 Victory Boulevard, Suites 1000, 1100 and 1200, Woodland Hills, California 91367
- 44 Market Street, Level 26, Sydney, NSW 2000, Australia
- 1 Southbank Boulevard, Riverside Quay, Southbank, VIC 3006, Australia
- The Company has entered into office service agreements for the following locations:
    - Riverbridge House Business Centre, Guilford Road, Leatherhead, Surrey KT22;
    - 9AD, United Kingdom;
    - Regus Properties, 100 Pall Mall, St. James, London SW1Y 5NQ, United Kingdom;
    - Regus Properties, 845 Third Ave., #619, New York, NY;
    - Regus Properties, Park 80 West/250 Pehle Ave., #92-93, Saddleback. NJ;
    - Regus Properties, 12600 Deerfield Pkwy, #2036, Atlanta, GA;
    - Regus Properties, Congress Center #1005, 1001 SW 5th Ave., Suite 1100, Portland, OR; and
    - Regus Properties, 875 N. Michigan Ave., #3184AC, Chicago, IL.

EXHIBIT M

Schedule 3.26 – Deposit Accounts and Securities Accounts

Account Holder	Names and Address	Account Type	Number
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	ZBA	###
BlackLine Systems, Inc.	Wells Fargo Bank P.O. Bank 6995 Portland, OR 97228	Checking	###
BlackLine Systems, Inc.	Westpac Banking Corporation Level 31, 275 Kent Street Sydney, NSW 2000	Checking	###
BlackLine Systems, Inc.	National Westminster Bank City of London Office P.O. Box 12258 1 Princes Street London EC2R 8PA	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Operating	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Money Market Collateral	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Cash Sweep	###

BlackLine Systems, Inc.	Bank of Montreal 100 King Street W Main Floor Toronto, ON M5X1A3	Checking	###
BlackLine Systems, Inc.	KBC Bank NV Paris France Branch Synergie Park – 6 rue Nicolas Appert CS 40041 Lezennes F-59030 LILLE	Checking	###

EXHIBIT N

Schedule 3.28(a) – Intellectual Property

US Registered Trademarks:

Jurisdiction	Registered Owner	Mark	Registration No. (Application No.)
U.S. – Federal	Blackline Systems, Inc.	It's Accounted For	3371371
U.S. – Federal	Blackline Systems, Inc.	No More Bullsheet	4084274
U.S. – Federal	Blackline Systems, Inc.	Design Mark	4022105
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems & Design Mark	4360338
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems	(86004666)
U.S. – Federal	Blackline Systems, Inc.	Blackline	(86004675)
E.U.	Blackline Systems, Inc.	Blackline	10322709
E.U.	Blackline Systems, Inc.	Blackline Systems	10322758
Australia	Blackline Systems, Inc.	Blackline	1453761
Australia	Blackline Systems, Inc.	Blackline Systems	1453766

Patent Application.

Patent Application: Computing system including dynamic performance profile adaptation functionality. Application Number: 62/214/180
Application Date: September 3, 2015
Inventors: Joshua Rhodes, Addam Driver, Ryan Regalado
Chain of Title: Assignment included

ABSTRACT

The present design is directed to a computer networking system including a client device and a server device having a server profiler module and an observer module, wherein the server profiler module maintains a server profile and profiles for at least one client device and the observer module is configured to receive client device performance information from the client device and server device performance information and determine and implement performance parameter alterations based on client device performance information and server device performance information received.

REGISTERED DOMAIN NAMES

Blackline.com
Blacklineondemand.com
Blackline.eu
Blackline.mx
Nomorebullsheet.com
Account-reconciliation.com
Acct-rec.com
Acct-recs.com Blackline.fr
Blacklinesolutions.com
Blacklinesystems.com
Blacklinetech.com
Blacklinetechnologies.com
Myblackline.com
Nomorebullsheets.com
Recwizardondemand.com
Account-reconciliations.com
Acct-rec.com
Accountreconciliations.com

EXHIBIT O

Schedule II – Equity Interests and Pledged Debt Securities

Equity Interests:

Current Legal Entities Owned (Directly)	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
BlackLine Systems, Inc.	BlackLine Intermediate, Inc.	001	1,000	100%/100%
BlackLine Systems Pty Ltd (Australia)	BlackLine Systems, Inc.	002	100	100%/100%
Blackline Systems Limited (UK)	BlackLine Systems, Inc.	002	100	100%/100%
BlackLine Systems, Ltd. (British Columbia, Canada)	BlackLine Systems, Inc.	CA2	65	100%/65%
BlackLine Systems SARL (France)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems Pte. Ltd. (Singapore)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems GmbH	BlackLine Systems, Inc.	—	25,000	100%/100%

Pledged Debt Securities:

None

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

EXHIBIT P

Schedule III – Intellectual Property
US Registered Trademarks:

Jurisdiction	Registered Owner	Mark	Registration No. (Application No.)
U.S. – Federal	Blackline Systems, Inc.	It's Accounted For	3371371
U.S. – Federal	Blackline Systems, Inc.	No More Bullsheet	4084274
U.S. – Federal	Blackline Systems, Inc.	Design Mark	4022105
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems & Design Mark	4360338
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems	(86004666)
U.S. – Federal	Blackline Systems, Inc.	Blackline	(86004675)
E.U.	Blackline Systems, Inc.	Blackline	10322709
E.U.	Blackline Systems, Inc.	Blackline Systems	10322758
Australia	Blackline Systems, Inc.	Blackline	1453761
Australia	Blackline Systems, Inc.	Blackline Systems	1453766

Patent Application.

Patent Application: Computing system including dynamic performance profile adaptation functionality. Application Number: 62/214/180
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Chain of Title: Assignment included

ABSTRACT

The present design is directed to a computer networking system including a client device and a server device having a server profiler module and an observer module, wherein the server profiler module maintains a server profile and profiles for at least one client device and the observer module is configured to receive client device performance information from the client device and server device performance information and determine and implement performance parameter alterations based on client device performance information and server device performance information received.

REGISTERED DOMAIN NAMES

Blackline.com
Blacklineondemand.com
Blackline.eu
Blackline.mx
Nomorebullsheet.com
Account-reconciliation.com
Acct-rec.com
Acct-recs.com
Blackline.fr
Blacklinesolutions.com
Blacklinesystems.com
Blacklinetech.com
Blacklinetechnologies.com
Myblackline.com
Nomorebullsheets.com
Recwizardondemand.com
Account-reconciliations.com
Acct-rec.com
Accountreconciliations.com

Exhibit 10.5

EXECUTION VERSION

THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT** (this "***Amendment***") is dated as of August 30, 2016 (the "***Third Amendment Effective Date***"), and is entered into by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), BLACKLINE INTERMEDIATE, INC. (formerly known as SLS BREEZE INTERMEDIATE HOLDINGS, INC.), a Delaware corporation ("***Holdings***"), the Lenders party hereto and OBSIDIAN AGENCY SERVICES, INC., as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***").

W I T N E S S E T H

WHEREAS, the Borrower, Holdings, the financial institutions and other entities from time to time party thereto as lenders (the "***Lenders***") the Administrative Agent and Collateral Agent are parties to that certain Credit Agreement dated as of September 25, 2013 (as amended by that certain Amendment and Waiver dated as of September 1, 2015 and as further amended by that certain Second Amendment and Waiver to Credit Agreement dated as of March 22, 2016, the "***Existing Credit Agreement***" and, as amended hereby in the form attached hereto as Exhibit A and as may be further amended, amended and restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"); capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement;

WHEREAS, the Borrower has advised the Administrative Agent that, on or about the Third Amendment Effective Date, the Borrower, through one or more directly or indirectly wholly-owned subsidiaries, will acquire all of the outstanding equity interests of RunBook Company B.V. ("***RunBook***") pursuant to a Share Purchase Agreement, dated August 15, 2016 (the "***RunBook Acquisition Agreement***"), among the Borrower, as purchaser, Silicon Polder Fund B.V., Participatiemaatschappij Oost Nederland N.V., Freeman Holding B.V., Smartbiz Investment B.V., Heller Holding B.V. and Parcomphy Holding B.V., as sellers (the "***RunBook Acquisition***");

WHEREAS, the Borrower has requested that the Lenders extend additional term loans to the Borrower under the Credit Agreement in an aggregate principal amount equal to $30,000,000, the proceeds of which will be used to consummate the RunBook Acquisition and to pay fees and expenses in connection therewith (the "***RunBook Transactions***");

WHEREAS, the 2016 Acquisition Term Loan Lenders are willing to provide 2016 Acquisition Term Loan Commitments and extend 2016 Acquisition Term Loans to the Borrower pursuant to the terms and subject to the conditions set forth in the Credit Agreement; and

WHEREAS, in connection with the foregoing, the Administrative Agent, the Collateral Agent, the Borrower, Holdings and the Required Lenders party hereto have agreed to amend the Existing Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Amendments to Credit Agreement; Certain Related Matters. In reliance upon the representations and warranties of the Loan Parties set forth in Section 3 below and subject to the conditions precedent to effectiveness set forth in Section 4 below, the parties hereto hereby agree that:

(a) the Existing Credit Agreement is hereby amended to delete the struck text (indicated textually in the same manner as the following example: ~~struck text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Credit Agreement attached as Exhibit A hereto;

(b) Exhibit A to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit B;

(c) Exhibit B to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit C;

(d) Exhibit D to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit D;

(e) Exhibit G to the Existing Credit Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit E;

(f) Schedule 2.01 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit F;

(g) Schedule 3.07(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit G;

(h) Schedule 3.08 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit H;

(i) Schedule 3.19(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit I;

(j) Schedule 3.19(b) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit J;

(k) Schedule 3.26 of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit K;

(l) Schedule 3.28(a) of the Existing Credit Agreement is hereby replaced in its entirety with the schedule attached hereto as Exhibit L;

(m) Schedule II to the Guarantee and Collateral Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit M; and

(n) Schedule III to the Guarantee and Collateral Agreement is hereby replaced in its entirety with the exhibit attached hereto as Exhibit N.

2. Credit Agreement and Other Loan Documents in Full Force and Effect as Amended. Except as specifically amended hereby, the Credit Agreement and the other Loan Documents shall remain in full force and effect and hereby are ratified and confirmed as so amended. This Amendment shall not preclude the future exercise of any right, remedy, power or privilege available to the Administrative Agent, the Collateral Agent and the Lenders whether under the Credit Agreement, the other Loan Documents or otherwise, and shall not be construed or deemed to be a satisfaction, novation or release of the Obligations, Credit Agreement or other Loan Documents, but shall constitute amendments thereto. Without limiting the foregoing, each of Holdings and the Borrower (i) reaffirms and

ratifies all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party and (ii) to the extent Holdings or the Borrower, as the case may be, prior to the date hereof, granted liens on and security interests in any of its property (other than Excluded Assets (as defined in the Guarantee and Collateral Agreement)) pursuant to any Loan Document as security for or otherwise guaranteed the Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of liens and security interests and confirms and agrees that such liens and security interests hereafter secure all of the Obligations.

3. Representations and Warranties. In order to induce the Lenders to enter into this Amendment, each of Holdings and the Borrower hereby represents and warrants to the Administrative Agent and the Lenders on the Third Amendment Effective Date that:

(a) the execution, delivery and performance of this Amendment by Holdings and the Borrower has been duly authorized by all requisite corporate or other entity and, if required, stockholder action of Holdings and the Borrower (as applicable);

(b) immediately after giving effect to this Amendment and the RunBook Transactions, no Event of Default has occurred and is continuing or would immediately result from the consummation of the transactions contemplated hereby;

(c) the representations and warranties set forth in Article III of the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the Third Amendment Effective Date (and after giving effect to the RunBook Transactions) to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date); *provided* that, if a representation and warranty is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this Section 3(c);

(d) no injunction or other restraining order has been issued or will be issued in connection with entering into the Amendment and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of the transactions contemplated hereby; and

(e) this Amendment, the Existing Credit Agreement (except as specifically amended hereby) and all other Loan Documents to which the Loan Parties are a party thereto are and remain legal, valid, binding and enforceable obligations of such Loan Parties in accordance with the terms thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4. Conditions Precedent to Effectiveness. The effectiveness of this Amendment and the obligations of the Administrative Agent, the Collateral Agent, the 2016 Acquisition Term Loan Lenders and the Required Lenders to enter into this Amendment are subject to the satisfaction or waiver of the following conditions on or prior to the Third Amendment Effective Date:

(a) the Administrative Agent shall have received an executed original (or photocopy with the original to follow after the Third Amendment Effective Date) of:

(i) the Amendment,

(ii) a solvency certificate from a Financial Officer of Holdings or the Borrower, substantially in the form of Exhibit G hereto,

(iii) the Term Note(s) evidencing the 2016 Acquisition Term Loans, and

(iv) an officer's certificate, in form and substance reasonably satisfactory to the Administrative Agent, (a) certifying that the conditions set forth in Section 4(g), Section 4(h)(i), Section 4(i), Section 4(j) and Section 4(k) hereof shall have been satisfied and (b) attaching an executed copy of the Acquisition Agreement and any exhibits, schedules and documents related thereto;

(b) the Administrative Agent shall have received the following from or with respect to Holdings and the Borrower:

(i) a copy of the certificate or articles of incorporation or organization, including all amendments thereto, certified as of a recent date by either the Secretary of State of the state of its organization or such Governmental Authority, and, to the extent readily available with respect to franchise Taxes, a certificate certifying that such Loan Party has paid all franchise Taxes due and payable on or prior to the date of such certificate and such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(ii) a certificate of the Secretary, Assistant Secretary or other Responsible Officer of each Loan Party dated the Third Amendment Effective Date and certifying (A) that attached thereto are true and complete copies of the Organizational Documents of such Loan Party as in effect on the Third Amendment Effective Date, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Governing Body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents and, in the case of the Borrower, the borrowing of the 2016 Acquisition Term Loans hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the charter or articles or certificate of incorporation or organization of such Loan Party have not been amended since the date thereof, and (D) as to the incumbency and specimen signature of each officer executing any Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party; and

(iii) a certification of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above;

(c) prior to the making of the 2016 Acquisition Term Loans, the Administrative Agent shall have received a Notice of Borrowing, substantially in the form of Exhibit C hereto;

(d) the Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of Kirkland & Ellis LLP, counsel for the Loan Parties (A) dated the Third Amendment Effective Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (C) covering such other matters relating to the Amendment and the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type, and the Borrower hereby requests such counsel to deliver such opinions;

(e) the Lenders shall have received evidence reasonably satisfactory to the Administrative Agent that all existing indebtedness for borrowed money of RunBook and any of its subsidiaries (other than debt permitted under the Credit Agreement) shall have been (or substantially simultaneously with the consummation of the RunBook Acquisition shall be) repaid in full and all commitments to lend or make other extensions of credit thereunder have been terminated and all liens securing such indebtedness or other obligations thereunder have been released and/or terminated (other than liens permitted under the Credit Agreement);

(f) the Borrower shall have paid to the Administrative Agent (i) for the ratable distribution to each 2016 Acquisition Term Loan Lender, the Yield Enhancement Fee pursuant to Section 2.05(b) of the Credit Agreement and (ii) such other amounts due and payable on or prior to the Third Amendment Effective Date that are required to be paid under the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out of pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document. Once paid, none of the fees shall be refundable under any circumstance or subject to any right of setoff counterclaim or any similar right (each of which is hereby waived by Holdings and the Borrower);

(g) the Administrative Agent shall be reasonably satisfied that all of the terms and conditions precedent to the RunBook Acquisition, other than with respect to the payment of the purchase price and other conditions that by their nature are only satisfied at the closing (other than Section 5.1(h) of the RunBook Acquisition Agreement), have been satisfied in accordance with the RunBook Acquisition Agreement;

(h) (i) the representations and warranties of Holdings and its subsidiaries (other than with respect to RunBook and its subsidiaries) set forth in Article III of the Credit Agreement and in the other Loan Documents and the representations and warranties regarding RunBook in the RunBook Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that the Borrower or its Affiliates have the right to terminate the Borrower's or such Affiliates' obligations under the RunBook Acquisition Agreement (or the right not to consummate the RunBook Acquisition) as a result of a breach of such representations and warranties in the RunBook Acquisition Agreement shall, in each case, be true and correct in all material respects on and as of the Third Amendment Effective Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date); provided, that, if a representation and warranty is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this Section (4)(j)(i) and (ii) the Borrower shall have performed in all material respects all agreements and satisfied all conditions which this Amendment provides shall be performed or satisfied by it on or before the Third Amendment Effective Date except as otherwise disclosed to and agreed to in writing by the Administrative Agent or that are otherwise waived;

(i) No "Material Adverse Effect" (as defined in the RunBook Acquisition Agreement) shall have occurred between August 16, 2016 and the Third Amendment Effective Date;

(j) no Event of Default shall have occurred and be continuing or would result immediately from the consummation of the RunBook Transactions other than an Event of Default arising under Section 7.01(c) with respect to a representation or warranty regarding RunBook or any of its subsidiaries set forth in Article III of the Credit Agreement and in the other Loan Documents; and

(k) Immediately after giving effect to the RunBook Transactions (assuming for purposes of this clause (m) that the RunBook Acquisition has been consummated), the aggregate amount of unrestricted cash and cash equivalents of the Borrower and its subsidiaries, on a consolidated basis, shall be no less than $5,000,000.

5. Post-Closing Obligations. Each of the Administrative Agent, the Collateral Agent, the 2016 Acquisition Term Loan Lenders and the Required Lenders agrees that, in addition to all other terms, conditions and provisions set forth in this Amendment and the other Loan Documents, including those conditions set forth in Section 4, Holdings and the Borrower shall satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (or such later date as agreed to by the Administrative Agent in its reasonable discretion), it being understood that (i) the failure by Holdings and/or the Borrower to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an immediate Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Amendment or any other Loan Document to be breached, the Required Lenders hereby waive such breach for the period from the Third Amendment Effective Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 5:

(a) Deliver to the Administrative Agent, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of NautaDutilh, local counsel to the Subsidiaries organized under the laws of the Netherlands (A) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (B) covering such other matters relating to the Amendment and the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type no later than thirty (30) days after the Third Amendment Effective Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

(b) Deliver to the Administrative Agent, a Pledge Agreement with respect to the Dutch law pledge of the Pledged Stock of BlackLine CV, in form and substance reasonably satisfactory to the Administrative Agent no later than thirty (30) days after the Third Amendment Effective Date (or such later date as the Administrative Agent may agree to in its sole and reasonable discretion).

6. Taxes. For purposes of determining withholding Taxes imposed under FATCA, from and after the effective date of the Amendment, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

7. Miscellaneous.

(a) Incorporation of Loan Agreement Provisions. Without limiting the applicability of any other provision of the Credit Agreement or any other Loan Document, the terms and provisions set forth in Sections 9.07 (*Applicable Law*), 9.10 (*Entire Agreement*), 9.11 (*Waiver of Jury Trial*), 9.12 (*Severability*), 9.13 (*Counterparts*), 9.14 (*Headings*), 9.15 (*Jurisdiction; Consent to Service of Process)* and 9.16 (*Confidentiality*) of the Credit Agreement are expressly incorporated herein by reference, *mutatis mutandis*.

(b) Loan Documents. This Amendment shall constitute a Loan Document for purposes of the Credit Agreement.

(c) Reference to Credit Agreement. Each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import, and each reference in the Credit Agreement or in any other Loan Document, or other agreements, documents or other instruments executed and delivered pursuant to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

[Signature Pages Follow]

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

BLACKLINE SYSTEMS, INC.,
a California corporation,
as the Borrower

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

BLACKLINE INTERMEDIATE, INC.,
a Delaware corporation,
as Holdings

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Vice President

[Signature Page to Amendment]

TENNENBAUM OPPORTUNITIES FUND VI, LLC, as an Initial Term Loan Lender on behalf of the above entity:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

SPECIAL VALUE CONTINUATION PARTNERS, LP,
TENNENBAUM SENIOR LOAN FUND II, LP,
and
TENNENBAUM SENIOR LOAN FUND IV-B, LP,
each as an Initial Term Loan Lender, 2016 Term Loan Lender and a 2016 Acquisition Term Loan Lender on behalf of each of the above entities:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

TENNENBAUM SENIOR LOAN OPERATING III, LLC, as an Initial Term Loan Lender on behalf of the above entity:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng
Name: Philip Tseng
Title: Managing Partner

TENNENBAUM SENIOR LOAN FUNDING III, LLC, as a 2016 Term Loan Lender and a 2016 Acquisition Term Loan Lender on behalf of the above entity:

By: TENNENBAUM CAPITAL PARTNERS, LLC,

Its: Investment Manager

By: /s/ Philip Tseng

Name: Philip Tseng

Title: Managing Partner

[Signature Page to Amendment]

EXHIBIT A

Form of Amended Credit Agreement

~~**EXECUTION VERSION**~~

CREDIT AGREEMENT

dated as of

September 25, 2013,

among

BLACKLINE SYSTEMS, INC.,

BLACKLINE INTERMEDIATE, INC.
(FORMERLY KNOWN AS
SLS BREEZE INTERMEDIATE HOLDINGS, INC.

THE LENDERS PARTY HERETO

and

OBSIDIAN AGENCY SERVICES, INC.,
as Administrative Agent and Collateral Agent

~~*[REFLECTING AMENDMENTS TO BE MADE PURSUANT TO THAT CERTAIN SECOND AMENDMENT TO CREDIT AGREEMENT TO WHICH THIS EXHIBIT A IS ATTACHED]*~~

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Exhibit A	–	Form of Notice of Borrowing
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Exhibit C	–	Form of Administrative Questionnaire
Exhibit D	–	Form of Assignment and Acceptance
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Exhibit G	–	Form of Solvency Certificate
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Exhibit I		Form of Warrant

CREDIT AGREEMENT

This **CREDIT AGREEMENT** (this "***Agreement***") is dated as of September 25, 2013 and entered into by and among **BLACKLINE SYSTEMS, INC.**, a California corporation (the "***Borrower***"), ~~**SLS BREEZE**~~**BLACKLINE INTERMEDIATE ~~HOLDINGS~~, INC.** (formerly known as SLS Breeze Intermediate Holdings, Inc.), a Delaware corporation ("***Holdings***"), the Lenders (as defined in Article I), and **OBSIDIAN AGENCY SERVICES, INC.**, as administrative agent (in such capacity, the "***Administrative Agent***") and as collateral agent (in such capacity, the "***Collateral Agent***") for the Lenders.

PRELIMINARY STATEMENT

Holdings and the Borrower desire that the Lenders extend certain credit facilities to the Borrower to refinance certain existing indebtedness, to pay certain transaction expenses and for working capital and other general corporate purposes of the Borrower and its Subsidiaries, including, to the extent permitted hereby, to make capital expenditures, acquisitions, investments and distributions from time to time.

The Lenders have agreed to extend such credit facilities to the Borrower.

The Borrower desires to secure all of the Obligations hereunder and under the other Loan Documents by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of its assets, as and to the extent provided herein and in the other Loan Documents.

Holdings and all of the Domestic Subsidiaries of the Borrower (subject to exceptions set forth herein and the other Loan Documents) have agreed to guarantee the Obligations hereunder and under the other Loan Documents and to secure their guaranties by granting to the Collateral Agent, for the benefit of the Secured Parties, a first priority Lien (subject to Liens permitted by Section 6.02) on substantially all of their respective assets, as and to the extent provided herein and in the other Loan Documents.

The Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01 ***Defined Terms***.

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

"***2016 Acquisition Term Loans***" shall mean the term loans made by the 2016 Acquisition Term Loan Lenders to the Borrower pursuant to Section 2.01(c), together with PIK Interest, if any.

"***2016 Acquisition Term Loan Commitment***" shall mean, for each 2016 Acquisition Term Loan Lender, the amount set forth opposite such 2016 Acquisition Term Loan Lender's name in Schedule 2.01 directly below the column entitled "2016 Acquisition Term Loan Commitment", as same may be adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.18 or Section 9.04(b). The aggregate amount of the 2016 Acquisition Term Loan Lenders' 2016 Acquisition Term Loan Commitment on the Third Amendment Effective Date is $30,000,000.

"2016 Acquisition Term Loan Lender" shall mean each Lender with a 2016 Acquisition Term Commitment or with outstanding 2016 Acquisition Term Loans.

"***2016 Term Loans***" shall mean the term loans made by the 2016 Term Loan Lenders to the Borrower pursuant to Section 2.01(b), together with PIK Interest, if any. The outstanding aggregate principal amount of the 2016 Term Loans as of the Third Amendment Effective Date equals $5,092,500.08 as set forth on Schedule 2.01.

"***2016 Term Loan Commitment***" shall mean, for each 2016 Term Loan Lender, the amount set forth opposite such 2016 Term Loan Lender's name in Schedule 2.01 directly below the column entitled "2016 Commitment", as same may be adjusted from time to time as a result of assignments to or from such Lender pursuant to Section 2.18 or Section 9.04(b). The ~~aggregate amount of the~~ 2016 Term Loan Lenders' remaining 2016 Term Loan ~~Commitment on~~Commitments as of the ~~Second~~Third Amendment Effective Date ~~is $5,000,000.~~equals $0 as set forth on Schedule 2.01.

"***2016 Term Loan Lender***" shall mean each Lender with a 2016 Commitment or with outstanding 2016 Term Loans.

"***Acceptance Notice***" shall have the meaning assigned to such term in Section 2.23.

"***Acquired Entity***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Acquisition***" shall mean the acquisition of the Borrower by Holdings pursuant to the Acquisition Agreement.

"***Acquisition Agreement***" shall mean that certain Agreement and Plan of Merger, dated as of August 9, 2013, by and among SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc., SLS Breeze Merger Sub, Inc. and Blackline Systems, Inc.

"***Administrative Agent***" shall have the meaning assigned to such term in the Preamble.

"***Administrative Questionnaire***" shall mean an Administrative Questionnaire in the form of Exhibit C, or such other form as may be supplied from time to time by the Administrative Agent.

"***Affiliate***" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; *provided*, *however*, that, for purposes of Section 6.07, the term "Affiliate" shall also include any Person that directly or indirectly owns 10% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

"***Agents***" shall have the meaning assigned to such term in Article VIII.

"***Agreement***" shall mean this Credit Agreement.

"***Alternate Base Rate***" means, for any day, a fluctuating rate of interest per annum equal to the highest of:

(i) the Prime Rate in effect on such day; and

(ii) the Federal Funds Effective Rate in effect on such day plus $^1/_2$ of 1.0% per annum.

Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively. Interest calculated pursuant to clause (i) above will be determined based on a year of 365 days or 366 days, as applicable and actual days elapsed. Interest calculated pursuant to clause (ii) above will be determined based on a year of 360 days and actual days elapsed.

"***Applicable Prepayment Premium***" shall mean:

(i) with respect to the Initial Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount to the applicable prepayment date:

If Prepaid:	***Percentage of the Principal***
From and after the Closing Date to but not including the second anniversary of the Closing Date	**3.0%**
From and after the second anniversary of the Closing Date to but not including the third anniversary of the Closing Date	**1.0%**
From and after the third anniversary of the Closing Date	**0%**

(ii) with respect to the 2016 Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount to the applicable prepayment date:

If Prepaid:	***Percentage of the Principal***
From and after the Second Amendment Effective Date to but not including the first anniversary of the Second Amendment Effective Date	**2.0%**
From and after the first anniversary of the Second Amendment Effective Date to but not including the second anniversary of the Second Amendment Effective Date	**3.0%**
From and after the second anniversary of the Second Amendment Effective Date to but not including the third anniversary of the Second Amendment Effective Date	**1.0%**

(iii) with respect to the 2016 Acquisition Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount to the applicable prepayment date:

If Prepaid:	*Percentage of the Principal*
From and after the Third Amendment Effective Date to but not including September 25, 2017	**2.0%**
From and after September 25, 2017 to but not including March 25, 2018	**1.0%**

"***Asset Sale***" shall mean the sale, transfer, license or other Disposition by Holdings, the Borrower or any Subsidiary to any Person (other than the Borrower or any Subsidiary Guarantor) of (i) any of the Equity Interests of the Borrower or any of its Subsidiaries, (ii) substantially all of the assets of any division or line of business of the Borrower or any of its Subsidiaries, or (iii) any other assets (whether tangible or intangible) of the Borrower or any of its Subsidiaries (other than (a) inventory sold in the ordinary course of business, (b) sales, assignments, transfers or Dispositions of accounts in the ordinary course of business for purposes of collection, (c) non-exclusive licenses and sublicenses of Intellectual Property, in the ordinary course of business, (d) leasing and sub-leasing of property and (e) any such other assets to the extent that the aggregate value of such assets sold or otherwise Disposed of in any fiscal year of the Borrower does not exceed $500,000); *provided* that (y) a Casualty Event, the issuance of Equity Interests of Holdings, the issuance of Equity Interests of Borrower or any Subsidiary to Holdings or any other Loan Party or the issuance by Holdings or any of its Subsidiaries of Indebtedness shall not constitute an Asset Sale and (z) the events set forth in clauses (iv), (vi), (vii), (x), (xii), (xvi), (xvii) and (xix) of Section 6.05 shall not constitute an Asset Sale for purposes of Section 2.11(b) or the definition of "Net Asset Sale Proceeds."

"***Assignment and Acceptance***" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee and with the consent of any Person whose consent is required by Section 9.04(b), in the form of Exhibit D or such other form as shall be approved by the Administrative Agent.

"***Availability Period***" shall have the meaning assigned to such term in Section 2.01(~~c~~d).

"***Bankruptcy Code***" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"***Board***" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" shall have the meaning assigned to such term in the Preamble.

"***Business Day***" shall mean any day other than a Saturday, Sunday or day on which banks in New York, New York or Los Angeles, California are authorized or required by law to close.

"***Capital Lease Obligations***" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; *provided* that the adoption or issuance of any accounting standards after the Closing Date will not cause any lease that was not or would not have been Capital Lease Obligations prior to such adoption or issuance to be deemed Capital Lease Obligations.

"***Casualty Event***" shall mean any event or occurrence described in clauses (i) and/or (ii) of the definition of "Net Insurance/Condemnation Proceeds".

"***CFC***" shall mean a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"***Change in Law***" shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.12, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd–Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives issued thereunder or in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the day enacted, adopted, issued or implemented.

"***Change of Control***" shall mean the occurrence of any of the following:

(i) the Permitted Holders collectively shall cease to beneficially own and Control at least 25% on a fully diluted basis of (x) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (y) the total economic interests (for the avoidance of doubt, which shall exclude any Indebtedness (other than Disqualified Stock)) of the Equity Interests of Holdings, in each case with such 25% being free and clear of any Liens, rights, options, warrants or similar agreements or understandings;

(ii) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and the Subsidiaries, taken as a whole, to any Person;

(iii) the occurrence of a change in the composition of the Governing Body of Holdings or the Borrower such that a majority of the members of any such Governing Body are not Continuing Directors;

(iv)(a) the failure at any time of Holdings, directly, to legally and beneficially own and Control 100% on a fully-diluted basis of the issued and outstanding Equity Interests of the Borrower

free and clear of any Liens, rights, options, warrants or similar agreements or understandings other than Liens in favor of the Collateral Agent created pursuant to the Security Documents and other Liens permitted under Section 6.02 or (b) the failure at any time of Holdings to have the ability to elect all of the Governing Body of the Borrower;

(v) the occurrence of any "change of control" (or similar event, howsoever denominated) under the definitive documentation governing or evidencing any Material Indebtedness of any Loan Party;

(vi) a "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than any such "person" or "group" comprised solely of Permitted Holders, becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of or Controls, directly or indirectly, a greater percentage of (a) the issued and outstanding Equity Interests of Holdings entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Governing Body of Holdings or (b) the total economic interests of the Equity Interests of Holdings than that collectively beneficially owned or Controlled (whichever is applicable above) by the Permitted Holders.

As used herein, the term "beneficially own" or "beneficial ownership" shall have the meaning set forth in the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this definition, a Person shall not be deemed to have beneficial ownership of the voting Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement, so long as such agreement contains a condition to the closing of the transactions contemplated thereunder that the Obligations under this Agreement and the other Loan Documents shall be paid in full and terminated prior to (or contemporaneous with) the consummation of such transactions.

"***Change of Control Prepayment Premium***" shall mean:

(i) with respect to Initial Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such Initial Term Loans outstanding on the applicable prepayment date:

If Prepaid:	***Percentage of the Principal***
From and after the Closing Date up to but not including the first anniversary of the Closing Date	**2.0%**
From and after the first anniversary of the Closing Date up to but not including the second anniversary of the Closing Date	**1.0%**
From and after the second anniversary of the Closing Date up to but not including the third anniversary of the Closing Date	**0.25%**
From and after the third anniversary of the Closing Date	**0%**

(ii) with respect to 2016 Term Loans and the 2016 Acquisition Term Loans, the prepayment premium (expressed as percentages of principal amount) set forth below, determined for the prepayment date with respect to such principal amount (including, for the avoidance of doubt, PIK Interest that has been capitalized and added to principal) of such 2016 Term Loans and 2016 Acquisition Term Loans, as applicable, outstanding on the applicable prepayment date:

If Prepaid:	***Percentage***
From and after the Second Amendment Effective Date up to but not including the first anniversary of the Second Amendment Effective Date	**2.0%**
From and after the first anniversary of the Second Amendment Effective Date up to but not including the second anniversary of the Second Amendment Effective Date	**1.0%**
From and after the second anniversary of the Second Amendment Effective Date up to but not including the third anniversary of the Second Amendment Effective Date	**0.25%**

"***Charges***" shall have the meaning assigned to such term in Section 9.09.

"***Closing Date***" shall mean the date on which the Initial Term Loans were made, which was September 25, 2013.

"***Code***" shall mean the Internal Revenue Code of 1986.

"***Collateral***" shall mean all the real, personal, and mixed (real and personal) property of the Loan Parties in which Liens are granted pursuant to the Security Documents, including all "Collateral" (as defined therein), and all Mortgaged Properties (for the avoidance of doubt, excluding any Excluded Assets (as defined in the Guarantee and Collateral Agreement)).

"***Collateral Agent***" shall have the meaning assigned to such term in the Preamble.

"***Commitment***" shall mean any of the commitments to make Loans hereunder or in any Assignment and Acceptance (as applicable) of any Lender (*i.e.*, a Revolving Loan Commitment or a Term Loan Commitment).

"***Commitment Fee***" shall have the meaning assigned to such term in Section 2.05(a).

"***Competitor***" shall mean any of those Persons or entities that are competitors of the Borrower and its Subsidiaries and affiliates of any such competitors, in each case, identified by the Borrower to the Administrative Agent in writing, and as updated from time to time with prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned).

"***Connection Income Taxes***" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated Leverage Ratio***" shall mean, on any date, the ratio of the principal amount of all outstanding Loans (including, for the avoidance of doubt, any PIK Interest that has been previously added to the principal amount of the Term Loans, but excluding, for the avoidance of doubt, any Commitments) outstanding on such date to Consolidated Revenue for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

"***Consolidated Revenue***" shall mean, for any period, the subscription and maintenance revenue of Holdings and its Subsidiaries on a consolidated basis determined in a manner consistent with GAAP, for such period.

"***Consolidated Total Assets***" shall mean, as of any date, the total property and assets of Holdings and its Subsidiaries, determined in accordance with GAAP, as set forth on the consolidated balance sheet of Holdings delivered in connection with the most recent audited annual financial statements of Holdings (on a pro forma basis after giving effect to any Permitted Acquisitions or any Investments or Dispositions permitted under the Loan Documents).

"***Contingent Obligation***", as applied to any Person, shall mean any direct or indirect liability, contingent or otherwise, of that Person (i) with respect to any Indebtedness, lease, dividend or other obligation (the "***primary obligation***") of another if the purpose or intent thereof by the Person incurring the Contingent Obligation is to provide assurance to the obligee of such primary obligation of another that such primary obligation of another will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such primary obligation will be protected (in whole or in part) against loss in respect thereof, (ii) with respect to any banker's acceptance, letter of credit or surety bond or similar instrument issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, or (iii) under Hedging Agreements. Contingent Obligations shall include (a) the direct or indirect guarantee, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the primary obligation of another, (b) the obligation to make or pay similar payments if required regardless of non-performance by any other party or parties to an agreement, and (c) any liability of such Person for the primary obligation of another through any agreement (contingent or otherwise) (1) to purchase, repurchase or otherwise acquire such primary obligation or any security therefor, or to provide funds for the payment or discharge of such primary obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (2) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (1) or (2) of this sentence, the purpose or intent thereof is as described in the preceding sentence; provided, however, that "Contingent Obligation" shall not include (A) endorsements for collection or deposit in the ordinary course of business, (B) customary indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or Equity Interests permitted under this Agreement or the other Loan Documents, (C) product warranties or other similar contingent obligations given or incurred in the ordinary course of business and (D) ordinary course performance guarantees by Holdings or any of its Subsidiaries of the obligations (other than for the

payment of Indebtedness) of any other of Holdings or any of its Subsidiaries. The amount of any liability in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined. The amount of any other Contingent Obligation shall be equal to the lesser of (y) the outstanding amount of the primary obligation so guaranteed or otherwise supported and (z) the stated maximum amount for which such Person may be liable under such Contingent Obligation, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case, the amount of such Contingent Obligations shall be determined by the Borrower reasonably and in good faith.

"***Continuing Directors***" shall mean the directors of Holdings on the Closing Date, and each other director, if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors or such other director receives the vote of the Permitted Holders in his or her election by the shareholders of Holdings or such director is appointed pursuant to any shareholder agreement or governing document by any Permitted Holder.

"***Contractual Obligation***" shall mean, with respect to any Person, any agreement, instrument or other undertaking (other than a Loan Document) to which such Person is a party or by which it or any of its property is bound.

"***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "***Controlling***" and "***Controlled***" shall have meanings correlative thereto.

"***Control Agreement***" shall mean an agreement, reasonably satisfactory in form and substance to the Collateral Agent and executed by the financial institution or securities intermediary at which a Deposit Account or a Securities Account, as the case may be, is maintained, pursuant to which such financial institution or securities intermediary confirms and acknowledges the Collateral Agent's security interest in such account, and agrees that the financial institution or securities intermediary, as the case may be, will comply with instructions or entitlement orders, as applicable, originated by the Collateral Agent as to disposition of funds in such account, without further consent by the Borrower or any Subsidiary; provided that the Collateral Agent shall only deliver instructions or entitlement orders when an Event of Default has occurred and is continuing.

"***Controlled Investment Affiliate***" shall mean, with respect to any Person, any other Person that (a) directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person and (b) is organized primarily for the purpose of making equity or debt investments in one or more companies.

"***Copyright Act***" shall mean Title 17 of the United States Code, including the Copyright Act of 1976, and all rules and regulations issued or promulgated thereunder, all as amended and in effect from time to time.

"***Credit Facilities***" shall mean the loan facilities provided for by this Agreement.

"***Cure Amount***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Contribution***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Date***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Right***" shall have the meaning assigned to such term in Section 7.02(a).

"***Cure Securities***" shall have the meaning assigned to such term in Section 7.02(a).

"***Declined Proceeds***" shall have the meaning assigned to such term in Section 2.11(g).

"***Default***" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"***Deposit Account***" shall have the meaning assigned to such term in the UCC.

"***Designated Event of Default***" shall mean any Event of Default of the type described in any of clauses (a), (b), (g) or (h) of Section 7.01.

"***Disposition***" shall mean with respect to any property (other than cash), any sale, lease, sublease, sale and leaseback, assignment, conveyance, transfer, license or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings. For the avoidance of doubt, the terms Disposition, Dispose and Disposed of do not refer to the issuance, sale or transfer of Equity Interests by Holdings.

"***Disqualified Stock***" shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than solely for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment (other than payments solely in the form of issuances of Qualified Capital Stock) constituting a return of capital, in each case at any time on or prior to the date that is 91 days following the Maturity Date; or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) Indebtedness securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time on or prior to the date that is 91 days following the Maturity Date, except, in the case of clause (a), if as a result of a change of control event or asset sale or other Disposition or casualty event, so long as any rights of the holders thereof to require the redemption thereof upon the occurrence of such a change of control event or asset sale or other Disposition or casualty event are subject to the prior payment in full of the Obligations (other than unasserted contingent indemnification or reimbursement obligations not yet due).

"***Dollars***" or "***$***" shall mean lawful money of the United States of America.

"***Domestic Subsidiary***" shall mean any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia in each case, other than a Foreign Subsidiary Holdco.

"***Eligible Assignee***" shall mean (i) any Lender, any Affiliate of any Lender and any Related Fund of any Lender; and (ii) (a) a commercial bank organized under the laws of the United States or any state thereof; (b) a savings and loan association or savings bank organized under the laws of the United States or any state thereof; (c) a commercial bank organized under the laws of any other country or a political subdivision thereof; *provided* that (1) such bank or association is acting through a branch or agency

located in the United States or (2) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country; and (d) any other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) that makes or purchases loans or investments in the ordinary course of business; *provided* that, notwithstanding anything to the contrary in this Agreement, each of the Borrower, any Affiliate of the Borrower and any Excluded Lender shall not be an Eligible Assignee and any attempted assignment to such Persons shall be absolutely void *ab initio*.

"***Eligible Incremental Lender***" shall mean all Eligible Assignees reasonably acceptable to the Administrative Agent and the Borrower.

"***Employee Benefit Plan***" shall mean, at any time, an employee benefit plan, as defined in Section 3(3) of ERISA, which the Borrower or any ERISA Affiliate maintains, contributes to or has an obligation to contribute or with respect to which Borrower could reasonably be expected to incur liability (including under Section 4409 of ERISA or on account of an ERISA Affiliate).

"***Environmental Laws***" shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources or the presence, Release of, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"***Environmental Liability***" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Equity Interests***" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

"***ERISA***" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is, or was within the last six preceding plan years, treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is, or was within the last six preceding plan years, treated as a single employer under Section 414 of the Code. Any trade or business that was an ERISA Affiliate under the preceding sentence during the six preceding plan years shall continue to be deemed an ERISA Affiliate hereunder solely with respect to liabilities asserted against Borrower under the Code or ERISA attributable to the period such trade or business was in fact an ERISA Affiliate under the preceding sentence.

"***ERISA Event***" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice

period is waived), (b) the failure of any Plan to meet the minimum funding standard under Section 412 of the Code or Section 302 of ERISA, whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan or the occurrence of any event or condition which would reasonably be expected to constitute grounds under ERISA for the termination of or the appointment of a trustee to administer, any Plan, (f) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, (g) the occurrence of a non-exempt "prohibited transaction" with respect to which the Borrower or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Code) or with respect to which the Borrower or any such Subsidiary could reasonably be expected to incur a material liability, (h) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA, (i) the imposition of liability on the Borrower or any ERISA Affiliate pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA or (j) the imposition of a Lien on the Borrower pursuant to Section 430(k) of the Code or ERISA.

"***Events of Default***" shall have the meaning assigned to such term in Article VII.

"***Excess Rate***" shall have the meaning assigned to such term in Section 2.23.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

"***Excluded Equity***" shall mean (a) in the case of Equity Interests of all existing first-tier Foreign Subsidiaries that are CFCs of any Loan Party, 35% of the voting Equity Interests of such Foreign Subsidiary, (b) in the case of Equity Interests of any Foreign Subsidiary Holdco, 35% of the voting Equity Interests of such Foreign Subsidiary HoldCo or, in the case under the foregoing clause (b) only such lesser amount to the extent the pledge of or a granting of a Lien on a greater amount of such Foreign Subsidiary Holdco's Equity Interests could not reasonably be expected to (i) result in adverse tax consequences, (ii) result in costs to Holdings and its Subsidiaries that are disproportionately large in relation to the benefit to the Lenders, as mutually determined by the Collateral Agent and the Borrower in their reasonable discretion or (iii) be prevented or impaired by applicable law, order or regulation, (c) any Equity Interests in a joint venture or non-Wholly Owned Subsidiary (other than a non-Wholly Owned Subsidiary acquired pursuant to a Permitted Acquisition) to the extent (i) the granting, creating or perfecting a pledge, security interest or Lien on such Equity Interests is prohibited or restricted by a Contractual Obligation or (ii) the consent or approval of a Person other than an Affiliate of the Borrower is required, or (d) any Equity Interests of any Person that is not a first-tier Subsidiary of any Loan Party (except (but only) to the extent such Person is a first-tier Subsidiary of another Loan Party).

"***Excluded Lender***" shall mean (a) natural Persons, (b) Competitors and (c) those banks, financial institutions, institutional lenders and other Persons that have been specified to the Administrative Agent by the Borrower or the Sponsor in writing prior to the Closing Date (it being agreed and understood by the Agents and each Lender on the Closing Date that the list specifying the Persons in clause (c) of this definition shall not be delivered to (or any of its contents shared with) any Person other than the Persons that are Lenders on the Closing Date; *provided* that the Administrative Agent may verbally state whether a Person is an Eligible Assignee based on such list so long as the question is posed by a Lender for the

sole purpose of considering assigning the Loans or selling participations hereunder to a non-Affiliated third-Person that is not otherwise excluded from being an Eligible Assignee by the other provisions in the definition of "Eligible Assignee").

"***Excluded Taxes***" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date of which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"***Existing Debt Refinancing***" shall mean the repayment in full of the Indebtedness set forth on Schedule 1.01(c) and the termination of commitments thereunder and the release of all guarantees and security in respect thereof.

"***Fair Labor Standards Act***" shall mean the Fair Labor Standards Act of 1938, as amended from time to time.

"***FATCA***" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"***Federal Funds Effective Rate***" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System of the United States arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"***Federal Power Act***" shall mean the Federal Power Act of 1935, as amended from time to time.

"***Fees***" shall mean the Commitment Fee and the Yield Enhancement Fees.

"***Financial Officer***" of any Person shall mean the chief financial officer, chief executive officer, vice president of finance, principal accounting officer, treasurer, assistant treasurer or controller, or, in each case, anyone acting in such capacity or any similar capacity, of such Person.

"***Foreign Lender***" shall mean any Lender that is not a U.S. Person.

"***Foreign Plan***" shall mean any defined benefit pension plan maintained or contributed to by any Loan Party solely with respect to employees employed outside the United States.

"***Foreign Subsidiary***" shall mean any Subsidiary that is not a Domestic Subsidiary.

"***Foreign Subsidiary Holdco***" shall mean a direct or indirect Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia of the Borrower formed or acquired before, on or after the Closing Date, that has no material assets other than capital stock or other Equity Interests of CFCs.

"***GAAP***" shall mean United States generally accepted accounting principles applied on a consistent basis.

"***Governing Body***" shall mean the board of directors or other body having the power to direct or cause the direction of the management and policies of a Person that is a corporation, partnership, trust or limited liability company.

"***Governmental Authority***" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality, regulatory body, board or commission.

"***Granting Lender***" shall have the meaning assigned to such term in Section 9.04(j).

"***Guarantee and Collateral Agreement***" shall mean the Guarantee and Collateral Agreement, in the form of Exhibit E, among the Borrower, Holdings, the Subsidiary Guarantors party thereto, and the Collateral Agent for the benefit of the Secured Parties.

"***Guarantors***" shall mean Holdings and the Subsidiary Guarantors.

"***Hazardous Materials***" shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

"***Hedging Agreement***" shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"***Heller Management Agreement***" shall mean the Management Agreement dated August 12, 2016 between Runbook Company B.V., Heller Holding B.V., and Mr. J.H. Heller, as it may be amended or modified from time to time, so long as such amendment or modification is not materially adverse to the interests of the Lenders.

"***Holdings***" shall have the meaning assigned to such term in the Preamble.

"***ICC Termination Act***" shall mean the ICC Termination Act of 1995, as amended from time to time.

"***Immaterial Subsidiary***" means Subsidiaries of the Borrower that (i) are not Loan Parties, (ii) own assets in an amount no greater than 2.5% individually and 5% in the aggregate of the Consolidated Total Assets of Holdings and its Subsidiaries (on a consolidated basis), (iii) generate revenue in an amount no greater than 2.5% individually and 5% in the aggregate of the total revenues of Holdings and its Subsidiaries (on a consolidated basis) and (iv) have previously been designated in writing by the Borrower to the Administrative Agent as "Immaterial Subsidiaries."

"***Increase Conditions***" means the following conditions: (i) Consolidated Revenue for the most recently ended four fiscal quarter period for which financial statements under Section 5.04(a) or (b) have been delivered equaling or exceeding $50,000,000 and (ii) receipt by the Administrative Agent of a certificate of a Financial Officer of the Borrower setting forth in reasonable detail the calculations showing satisfaction of the foregoing condition.

"***Increased Amount Date***" shall have the meaning assigned to such term in Section 2.23.

"***Incremental Commitments***" shall have the meaning assigned to such term in Section 2.23.

"***Incremental Lender***" shall have the meaning assigned to such term in Section 2.23.

"***Incremental Loan***" shall have the meaning assigned to such term in Section 2.23.

"***Incremental Loan Amendment***" shall have the meaning assigned to such term in Section 2.23.

"***Indebtedness***" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services, including any-earn out obligations (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business and not more than 180 days past due, (ii) purchase price adjustments and earn-out obligations (unless such amounts are not paid after becoming due and payable or appear (or would be required to appear pursuant to GAAP) as liabilities on the balance sheet of such Person), (iii) royalty payments made in the ordinary course of business in respect of licenses, any accruals for payroll and (iv) other non-interest bearing liabilities accrued in the ordinary course of business and deferred rent obligations), (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person reasonably and in good faith and (y) the amount of Indebtedness secured by such Lien, (f) all Contingent Obligations of such Person in respect of Indebtedness of others, (g) all Capital Lease Obligations and Synthetic Lease Obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases (other than Capitalized Lease Obligations recorded as capitalized leases in accordance with GAAP as in effect on the Closing Date) shall not constitute Indebtedness), (h) all obligations of such Person as an account party in respect of letters of credit, (i) all obligations of such Person in respect of bankers' acceptances, (j) Disqualified Stock and (k) all obligations of such Person in respect of any Hedging Agreement, in each case, whether entered into for hedging or speculative purposes or otherwise; *provided* that (1) Indebtedness shall not include (A) accrued expenses, deferred rent, deferred revenue, deferred taxes and deferred compensation and customary obligations under employment arrangements, (B) customary payables with respect to money orders or wire transfers, and (C) obligations under operating leases and (2) the items in clauses (a) through (k) above shall constitute Indebtedness of such person solely to the extent (x) such Person is liable for such item, (y) any such item is secured by a Lien on such Person's property but only to the extent of the lesser of the fair market value of the property subject to such Lien and the principal amount of, and interest and other amount owing in respect of, such Indebtedness or (z) any other Person has a right, contingent or otherwise, to cause such Person to become liable for any part of any such item or to grant such a Lien. The amount of any Indebtedness of any Person in respect of a Hedging Agreement shall be the amount determined in respect thereof as of the determination date, based on the assumption that such Hedging Agreement had terminated as of such date. In making such determination, if any agreement relating to such Hedging Agreement provides for the netting of amounts payable by and to

such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, but only to the extent such Person is obligated therefor by contract or operation of applicable law.

"***Indemnified Taxes***" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitee***" shall have the meaning assigned to such term in Section 9.05(b).

"***Information***" shall have the meaning assigned to such term in Section 9.16.

"***Initial Term Loans***" shall mean the term loans made by the Initial Term Loan Lenders to the Borrower pursuant to Section 2.01(a), together with PIK Interest, if any. The outstanding aggregate principal amount of the Initial Term Loans as of the ~~Second~~Third Amendment Effective Date equals $~~29,648,388.82~~30,653,528.83 as set forth on Schedule 2.01.

"***Initial Term Loan Commitment***" with respect to each Initial Term Loan Lender, the commitment of such Initial Term Loan Lender to make Initial Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Initial Term Loan Lender assumed its Initial Term Loan Commitment, as applicable. The Initial Term Loan Lenders' remaining Initial Term Loan Commitments as of the Second Amendment Effective Date equals $0 as set forth on Schedule 2.01.

"***Initial Term Loan Lender***" shall mean each Lender with an Initial Term Loan Commitment or with outstanding Initial Term Loans.

"***Insolvency Proceeding***" shall mean (i) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (ii) any general assignment for the benefit of creditors, formal or informal moratorium, composition, marshaling of assets for creditors or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each case, undertaken under United States federal or state or non-United States legal requirements, including the Bankruptcy Code.

"***Intellectual Property***" shall mean all present and future: trade secrets, know-how and other proprietary information; trademarks, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations therefor throughout the world; works of authorship, copyrightable works, copyright registrations and copyright applications; and all tangible and intangible property embodied therein, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"***Interest Payment Date***" shall mean December 31, 2013 and the last day of each calendar quarter thereafter, *provided* if any such day is not a Business Day, such Interest Payment Date shall be extended to the next succeeding Business Day and interest shall accrue for each day of such extension.

"***Interstate Commerce Act***" shall mean the Interstate Commerce Act of 1887, as amended from time to time.

"***Investment***" shall mean (i) any direct or indirect purchase or other acquisition by Holdings, the Borrower or any of its Subsidiaries of, or of a beneficial interest in, any stocks, bonds, notes, debentures or other obligations or securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Holdings, the Borrower or any Subsidiary of the Borrower from any Person, of any Equity Interests of such Person; and (iii) any direct or indirect loan, advance (other than loans or advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by Holdings, the Borrower or any of its Subsidiaries to any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto (other than replacement or repair costs in connection with Casualty Events), without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment and after giving effect to any return of capital, repayment or dividends or distributions in respect thereof received in cash with respect to such Investment and less all liabilities expressly assumed by another person in connection with the sale or other disposition of such Investment.

"***Investment Company Act of 1940***" shall mean the Investment Company Act of 1940, as amended from time to time.

"***IRS***" shall mean the United States Internal Revenue Service.

"***Leesberg Management Agreement***" shall mean the Management Agreement dated August 12, 2016 between Runbook Company B.V., Parcomphy Holding B.V. and Mr. R.B.A. Leesberg, as it may be amended or modified from time to time, so long as such amendment or modification is not materially adverse to the interests of the Lenders.

"***Lenders***" shall mean (a) the Persons listed on Schedule 2.01 (other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance, in each case, in accordance and in compliance with Section 9.04 (including, without limitation, any consents required thereby); *provided*, *however*, that no Excluded Lender shall be a Lender.

"***Libor Rate***" shall mean, for any date of determination, the greater of (x) (i) with respect to the Initial Term Loans, the 2016 Term Loans and the 2016 Acquisition Term Loans, 1.50% per annum and (ii) with respect to Revolving Loans, 0.50% per annum and (y) the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) that appears on Bloomberg as of approximately 11:00 a.m. (Los Angeles time) on such date of determination; *provided*, that if such index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the three-month London Interbank Offered Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination, and if this latter index ceases to exist or is no longer published or announced, then the term "Libor Rate" shall mean the Prime Rate (rounded upward to the nearest 1/16 of one percent) as published in The Wall Street Journal on such date of determination. The Libor Rate shall be reasonably determined on the Closing Date and the first Business Day of each calendar quarter thereafter by the Administrative Agent or, if no Administrative Agent then exists, by the Required Lenders.

"***LIBOR Unavailability Notice***" shall have the meaning assigned to such term in Section 2.12(e).

"***Lien***" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; *provided* that in no event shall an operating lease be deemed to be a Lien.

"***Liquidity***" shall mean (i) the amount of Unrestricted Cash and Permitted Investments of the Loan Parties in the aggregate plus (ii) the Total Unutilized Revolving Loan Commitment.

"***Loan(s)***" shall mean each Revolving Loan, each Initial Term Loan, each 2016 Term Loan, each 2016 Acquisition Term Loan and, to the extent set forth in Section 2.23(f), each Incremental Loan; provided that with respect to any Note issued prior to the Second Amendment Effective Date, all references to "Loans" therein shall be deemed to refer exclusively to Initial Term Loans.

"***Loan Commitment Percentage***" shall mean, as to any Lender at any time, the percentage of the aggregate outstanding principal amount of Loans then constituted by the aggregate outstanding principal amount of such Lender's Loans.

"***Loan Documents***" shall mean this Agreement, the Security Documents, the Revolving Notes, the Term Notes and any other document or agreement executed in connection herewith or therewith.

"***Loan Parties***" shall mean the Borrower and the Guarantors.

"***Local Time***" shall mean Los Angeles time.

"***Management Agreement***" shall mean any written agreement by and between Sponsor or its Affiliates and Holdings or Borrower entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent (it being understood and agreed that any provisions providing for cost and expense reimbursement and indemnification not in excess of the amount permitted under Section 6.06(a)(iii) of this Agreement shall be satisfactory to the Administrative Agent).

"***Management Fee Recipient***" shall have the meaning assigned to such term in the definition of "Management Fees".

"***Management Fees***" shall mean any fees or other amounts (whether structured as a fee, an underwriting discount or otherwise) payable, directly or indirectly, to or for the benefit of any direct or indirect holder of Equity Interests of Holdings or any Affiliate of any such holder of Equity Interests (each of the foregoing, but excluding any Agent or any Lender, a "***Management Fee Recipient***") or in respect of management, consulting, financial advisory, financing, underwriting or placement services or other investment banking activities provided by or on behalf of any Management Fee Recipient to or for the benefit, directly or indirectly, of any of Holdings or Holdings' Affiliates, whether payable, earned or otherwise provided for pursuant to a Management Agreement (howsoever denominated) or otherwise; *provided*, *however*, that Management Fees shall not include (i) any costs or expenses (including, without limitation, attorney's fees) incurred by, or any indemnities provided to, Sponsor and/or any of its Related Parties and (ii) any amounts accrued (or rights to present or future payments or amounts) but not actually paid.

"***Margin Stock***" shall have the meaning assigned to such term in Regulation U.

"***Material Adverse Effect***" shall mean (a) a materially adverse effect on and/or material adverse developments with respect to (i) the value of the Collateral (taken as a whole) or (ii) the business, operations, financial condition or properties of Holdings, the Borrower and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Borrower or the other Loan Parties, taken as a whole, to perform any of its or their obligations under any Loan Document to which it is or they are a party or (c) a material impairment of the rights and remedies, taken as a whole, of the Administrative Agent, the Collateral Agent and the Lenders under the Loan Documents (other than to the extent a result of the action or inaction of the Administrative Agent, the Collateral Agent, the Lenders, the other secured parties under the Loan Documents or their respective Related Parties).

"***Material Domestic Real Property***" shall mean any real property located in the United States with a fair market value in excess of $1,000,000.

"***Material Foreign Assets***" shall mean, (i) any foreign personal property (including, without limitation, any foreign registered Intellectual Property) of a Loan Party constituting Collateral with a value as of any date of determination in excess of 10% of Consolidated Total Assets and (ii) Equity Interests of any direct Foreign Subsidiary of any Loan Party that is a Wholly-Owned Subsidiary constituting Collateral solely to the extent such Foreign Subsidiary generates revenue in an amount in excess of 10% of the total revenues of Holdings and its Subsidiaries on a consolidated basis; provided that Equity Interests of Acquisition Co B.V., or such other first-tier foreign subsidiary that owns, directly or indirectly, the Equity Interests of Runbook Company, B.V., Runbook International B.V. and Runbook IP B.V., owned by any Loan Party shall be deemed to be Material Foreign Assets.

"***Material Indebtedness***" shall mean Indebtedness (other than the Loans) of any one or more of Holdings, the Borrower or any Subsidiary in an aggregate principal amount exceeding $1,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Holdings, the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements to the extent that such agreements) that Holdings, the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time. For the avoidance of doubt, the Obligations shall not constitute Material Indebtedness.

"***Maturity Date***" shall mean September 25, 2018.

"***Maximum Rate***" shall have the meaning assigned to such term in Section 9.09.

"***Modification***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing.

"***Moody's***" shall mean Moody's Investors Service, Inc., or any successor thereto.

"***Mortgaged Properties***" shall mean each parcel of owned real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12.

"***Mortgages***" shall mean the mortgages, deeds of trust, assignments of leases and rents, modifications and other security documents delivered with respect to Mortgaged Properties pursuant to Section 5.12, in each case, utilized as security for the Obligations, each reasonably acceptable in form and substance to the Administrative Agent and the Borrower.

"***Multiemployer Plan***" shall mean a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA; (a) to which Borrower or any ERISA Affiliate making or accruing an

obligation to make contributions; or (b) with respect to which Borrower could reasonably be expected to incur liability.

"***Net Asset Sale Proceeds***" shall mean the cash proceeds received by the Borrower or any of its Subsidiaries in respect of an Asset Sale (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received but excluding (for the avoidance of doubt) any issuance of Equity Interests mentioned in the proviso of the definition of "Asset Sale"), net of (a) actual and customary expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection with such sale), (b) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Asset Sale Proceeds) and (c) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset sold in such Asset Sale and that is required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset and other than Indebtedness hereunder).

"***Net Insurance/Condemnation Proceeds***" shall mean any net cash payments or net cash proceeds (after taking into account any fees, costs, expenses (including, without limitation, legal fees) and deductibles related thereto or incurred in connection therewith) received by the Borrower or any of its Subsidiaries (i) under any casualty insurance policy in respect of a covered loss of property thereunder or (ii) as a result of the taking of any assets of the Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain or condemnation pursuant to any law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any Person or any part thereof by any Governmental Authority, civil or military, in each case, net of (a) customary costs and expenses (including customary broker's fees or commissions, legal fees, accounting fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes, in each case paid or payable in connection therewith) and (b) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money that is secured by the asset subject to such covered loss or taking and that is required to be repaid with such proceeds (other than Indebtedness hereunder).

"***Net Securities Proceeds***" shall mean the cash proceeds (net of customary underwriting discounts and commissions and other customary costs and expenses associated therewith, including customary legal fees and expenses and taxes) from the incurrence of Indebtedness by Holdings, the Borrower or any of its Subsidiaries.

"***Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***Notice of Borrowing***" shall have the meaning assigned to such term in Section 2.02(c).

"***Notice of Revolver Borrowing***" shall have the meaning assigned to such term in Section 2.02(d).

"***Notice of Intent to Cure***" shall have the meaning assigned to such term in Section 7.02(c).

"***Obligations***" shall mean all obligations of every nature of each Loan Party from time to time owed to the Administrative Agent, the Lenders or any of them under the Loan Documents, whether for principal, interest (including, without limitation, any PIK Interest and interest accruing after the commencement of any bankruptcy case or Insolvency Proceeding involving a Loan Party, whether or not such interest is an allowed claim in such case or proceeding), fees, premium, expenses, indemnification or otherwise.

"***OFAC***" shall have the meaning assigned to such term in Section 3.23.

"***OID***" shall have the meaning assigned to such term in Section 2.21(a).

"***Organizational Documents***" shall mean with respect to any Person, its charter, certificate or articles of incorporation, bylaws, articles of organization, operating agreement, partnership agreement or similar agreement or instrument governing the formation or operation of such Person.

"***Other Connection Taxes***" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"***Other Taxes***" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"***Participant Register***" shall have the meaning assigned to such term in Section 9.04(g).

"***Payment Office***" shall mean the office of the Administrative Agent located at 2951 28th Street, Suite 1000, Santa Monica, California 90405 or such other office as the Administrative Agent may hereafter designate in writing as such to the other parties hereto.

"***PBGC***" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"***Perfection Certificate***" shall mean the Perfection Certificate substantially in the form of Exhibit B to the Guarantee and Collateral Agreement.

"***Permitted Acquisition***" shall have the meaning assigned to such term in Section 6.04(vii).

"***Permitted Capital Lease Amount***" shall mean $2,500,000, provided, however that if the Increase Conditions are met, the Permitted Capital Lease Amount shall mean $5,000,000.

"***Permitted Founder Distributions***" shall mean amounts payable to Therese Tucker, an individual, pursuant to Section 6.9(h) of the Acquisition Agreement.

"***Permitted Holders***" shall mean, collectively, Sponsor and its Controlled Investment Affiliates.

"***Permitted Investments***" shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed or insured by, the United States of America (or by any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above;

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, at least 95% of whose assets are invested in investments of the type described in clauses (a) through (d) above;

(f) demand deposit accounts maintained in the ordinary course of business; and

(g) other short-term investments utilized by Foreign Subsidiaries in accordance with normal investment practices for cash management in investments of a type analogous to the foregoing.

"***Permitted Non-Loan Party Investment Amount***" shall mean $5,000,000 provided, however that if the Increase Conditions are met, the Permitted Non-Loan Party Investment Amount shall mean $10,000,000.

"***Permitted Refinancing***" shall mean, with respect to any Person, any modification, refinancing, refunding, replacement, renewal or extension (each, a "***Modification***") of any Indebtedness of such Person (such Indebtedness prior to giving effect to such Modification, "***Subject Indebtedness***" and, after giving effect to such Modification, "***Refinancing Indebtedness***"); *provided* that (a) the principal amount thereof does not exceed the principal amount of such Subject Indebtedness except by an amount equal to unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred, in connection with such Modification and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing of Indebtedness permitted pursuant to Section 6.01(v) or Section 6.01(vi), such Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Subject Indebtedness, (c) to the extent such Subject Indebtedness is (i) subordinated in right of payment to the Obligations, such Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms, taken as a whole, at least as favorable to the Lenders in all material respects as those contained in the documentation governing the subordination of the Subject Indebtedness, (ii) secured by a junior permitted lien on the Collateral (or portion thereof), in the case of this clause (ii) such Refinancing Indebtedness shall be unsecured or secured by a junior permitted lien on the Collateral (or portion thereof) or (iii) unsecured, such Refinancing Indebtedness shall be unsecured, (d) such Modification does not provide for the granting or obtaining of collateral security from, or obtaining any lien on any assets of, any Person, other than collateral security obtained from Persons that provided (or were required to provide) collateral security with respect to such Subject Indebtedness (so long as the assets subject to such liens were or would have been required to secure such Subject Indebtedness) (provided that additional Persons that would have been required to provide collateral security with respect to such Subject Indebtedness may provide collateral security with respect to such Refinancing Indebtedness), (e) any such Refinancing Indebtedness shall be subject to intercreditor provisions (including lien subordination provisions if such Refinancing Indebtedness is secured by a lien on the Collateral the priority of which is contractually subordinated to the Liens on the Collateral securing the Obligations) which are no less favorable, taken as a whole, to the Secured Parties than those contained in

such Subject Indebtedness or are otherwise reasonably acceptable to the Administrative Agent and (f) neither Holdings nor any of its Subsidiaries shall be an obligor or guarantor of any such Refinancing Indebtedness except to the extent that such Person was such an obligor or guarantor in respect of the Subject Indebtedness.

"***Permitted Restricted Payment Amount***" shall mean $500,000 provided, however that if the Increase Conditions are met, the Permitted Restricted Payment Amount shall mean $1,000,000.

"***Permitted Tax Distributions***" shall mean for each tax year (or portion thereof) that the Borrower is a corporation for U.S. federal income tax purposes and is a member of an affiliated group filing consolidated or combined returns of which it is not the common parent, the direct or indirect payment by the Borrower to the common parent of such group of the consolidated or combined federal, state and local income Taxes payable by the common parent for such group; *provided* that the amount of such payments in any taxable year (or portion thereof) does not exceed the amount that Holdings and its Subsidiaries would be required to pay in respect of U.S. federal, state and local income Taxes for such taxable year (or portion thereof) were Holdings and its Subsidiaries to file as part of a consolidated or combined group for income tax purposes; *provided further* that any amounts paid solely with respect to Holdings shall be attributable to operations or actions of Holdings that are permitted by Section 6.13.

"***Person***" shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

"***PIK Interest***"shall have the meaning assigned to such term in Section 2.06(b).

"***Plan***" shall mean any employee pension benefit plan, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA which is maintained or contributed to by Borrower or any ERISA Affiliate or with respect to which Borrower could reasonably be expected to incur liability (including on account of an ERISA Affiliate).

"***Prime Rate***" means, for any day, the rate of interest in effect for such day that is identified and normally published by The Wall Street Journal as the "Prime Rate" (or, if more than one rate is published as the Prime Rate, then the highest of such rates), with any change in Prime Rate to become effective as of the date the rate of interest which is so identified as the "Prime Rate" is different from that published on the preceding Business Day. If The Wall Street Journal no longer reports the Prime Rate, or if the Prime Rate no longer exists, or the Administrative Agent determines in good faith that the rate so reported no longer accurately reflects an accurate determination of the prevailing Prime Rate, then the Administrative Agent may select a reasonably comparable index or source to use as the basis for the Prime Rate.

"***Qualified Capital Stock***" of any Person shall mean any Equity Interest of such Person that is not Disqualified Stock.

"***Recipient***" shall mean (a) the Administrative Agent and (b) any Lender, as applicable.

"***Refinancing Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Register***" shall have the meaning assigned to such term in Section 9.04(d).

"***Regulation T***" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"***Related Documents***" shall mean, collectively, the Warrants and the Warrant Agreement.

"***Related Fund***" shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"***Related Parties***" shall mean, with respect to any specified Person, such Person's Controlled Affiliates and the respective directors, trustees, officers, employees, agents, attorneys, representatives and advisors of such Person and such Person's Controlled Affiliates; *provided* that an agent of a sub-agent shall not be a Related Party, unless (i) such agent is appointed as a sub-agent by an Agent in accordance with Article VIII, or (ii) such agent is appointed or retained by, or at the direction of, the Required Lenders.

"***Release***" shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

"***Required Lenders***" shall mean, at any time, Lenders having Loans and Commitments representing more than 50% of the sum of all Loans and Commitments at such time.

"***Required RL Lenders***" shall mean, at any time, Lenders the sum of whose outstanding Revolving Loan Commitments at such time (or, after the termination thereof, outstanding Revolving Loans) represent more than 50% of the Total Revolving Loan Commitment in effect at such time (or, after the termination thereof, the sum of then total outstanding Revolving Loans).

"***Responsible Officer***" of any Person shall mean any executive officer (including, without limitation, the president, any vice president, secretary and assistant secretary), or Financial Officer of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement.

"***Restricted Payment***" shall mean (i) any cash dividend or other cash distribution with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary and (ii) any cash payment, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary.

"***Revolving Loan***" shall have the meaning assigned to such term in Section 2.01(~~c~~d).

"***Revolving Loan Commitment***" shall mean, for each Lender, the amount set forth opposite such Lender's name in Schedule 2.01 directly below the column entitled "Revolving Loan Commitment", as same may be (x) reduced from time to time or terminated pursuant to Section 2.11, Section 2.19 or Article VII, or (y) adjusted from time to time as a result of assignments to or from such Lender pursuant to

Section 2.18 or Section 9.04(b). The initial aggregate amount of the Lenders' Revolving Loan Commitments is $5,000,000.

"***Revolving Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***RL Lender***" shall mean each Lender with a Revolving Loan Commitment or with outstanding Revolving Loans.

"***RL Percentage***" of any RL Lender at any time shall mean a fraction (expressed as a percentage) the numerator of which is the Revolving Loan Commitment of such RL Lender at such time and the denominator of which is the Total Revolving Loan Commitment at such time, *provided* that if the RL Percentage of any RL Lender is to be determined after the Total Revolving Loan Commitment has been terminated, then the RL Percentages of such RL Lender shall be determined immediately prior (and without giving effect) to such termination.

"***Runbook Acquisition***" shall mean the acquisition by the Borrower, directly or indirectly, of all the outstanding Equity Interests of RunBook Company B.V. from Silicon Polder Fund B.V., Participatiemaatschappij Oost Nederland N.V., Freeman Holding B.V., Smartbiz Investment B.V., Heller Holding B.V. and Parcomphy Holding B.V., as sellers.

"***S&P***" shall mean Standard & Poor's Ratings Service, or any successor thereto.

"***SEC***" shall mean the Securities and Exchange Commission or any other similar or successor agency of the Federal government administering the Securities Act.

"***Second Amendment"***shall mean that certain Second Amendment and Waiver to Credit Agreement dated as of the Second Amendment Effective Date by and among Borrower, Holdings, the Initial Term Loan Lenders party thereto, the 2016 Term Loan Lenders party thereto, the RL Lenders party thereto, the Administrative Agent and the Collateral Agent.

"***Second Amendment Effective Date***" shall mean March 22, 2016.

"***Secured Parties***" shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

"***Securities Account***" is defined in the UCC.

"***Securities Act***" shall mean the Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations of the SEC thereunder, all as the same shall be in effect from time to time.

"***Security Documents***" shall mean the Guarantee and Collateral Agreement, Control Agreements, the Mortgages (if any) and each of the security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12 and utilized to pledge or grant a security interest or Lien on any property as collateral for the Obligations.

"***SPC***" shall have the meaning assigned to such term in Section 9.04(j).

"***Sponsor***" shall mean Silver Lake Sumeru Fund, L.P.

"***Subject Indebtedness***" shall have the meaning assigned to such term in the definition of "Permitted Refinancing."

"***Subordinated Indebtedness***" shall mean any Indebtedness of a Loan Party incurred from time to time and subordinated in right of payment to the Obligations and subject to a subordination agreement in form and substance reasonably satisfactory to the Administrative Agent.

"***Subsidiary***" shall mean, with respect to any Person (herein referred to as the "***parent***"), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of Holdings.

"***Subsidiary Guarantor***" shall mean, on the Closing Date, each Subsidiary of the Borrower listed on Schedule 1.01(a), and thereafter each wholly-owned Domestic Subsidiary that is or becomes a party to the Guarantee and Collateral Agreement or otherwise provides a guarantee in respect of the Obligations.

"***Synthetic Lease***" shall mean, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is accounted for as an operating lease under GAAP but which, upon the application of any insolvency or bankruptcy laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment) and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"***Synthetic Lease Obligations***" shall mean, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such Person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

"***Tax Returns***" shall mean (i) all returns, declarations, reports, schedules or information return or statement of, or with respect to, Taxes required to be filed with any Governmental Authority or depository and (ii) Form TD F 90-22.1.

"***Taxes***" shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Termination Date***" shall have the meaning assigned to such term in Section 3.13.

"***Terrorism Order***" shall have the meaning assigned to such term in Section 3.25.

"***Term Loans***" shall mean the Initial Term Loans, the 2016 Term Loans, the 2016 Acquisition Term Loans and any Incremental Loans, in each case, that have been funded.

"***Term Loan Commitment***" shall mean, with respect to each Term Loan Lender, (a) its Initial Term Loan Commitment, (b) its 2016 Term Loan Commitment, (c) its 2016 Acquisition Term Loan Commitment or (~~c~~d) to the extent actually committed, any necessary approvals thereof have been

received and such Term Loan Lender is bound to fund such Incremental Loans pursuant to the terms hereunder, its Incremental Commitment.

"***Term Loan Lender***" shall mean each Lender with a Term Loan Commitment or with outstanding Term Loans.

"***Term Note***" shall have the meaning assigned to such term in Section 2.04(d).

"***Third Amendment"***shall mean that certain Third Amendment to Credit Agreement dated as of the Third Amendment Effective Date by and among Borrower, Holdings, the 2016 Acquisition Term Loan Lenders party thereto, the Required Lenders party thereto, the Administrative Agent and the Collateral Agent.

"***Third Amendment Effective Date***" shall mean August 30, 2016.

"***Total Revolving Loan Commitment***" shall mean, at any time, the sum of the Revolving Loan Commitments of each of the RL Lenders at such time.

"***Total Unutilized Revolving Loan Commitment***" shall mean, at any time, an amount equal to the remainder of (x) the Total Revolving Loan Commitment in effect at such time less (y) the aggregate principal amount of all Revolving Loans outstanding at such time.

"***Tranche***" shall mean (a) the Revolving Loans, (b) the Initial Term Loans, (c) the 2016 Term Loans, (d) the 2016 Acquisition Term Loans and (~~d~~e) the Incremental Loans.

"***Transactions***" shall mean, collectively, the transactions to occur pursuant to the Loan Documents, including (a) the execution and delivery of the Loan Documents and the making of the borrowings hereunder; (b) the Existing Debt Refinancing; and (c) the payment of related fees, costs and expenses (including, without limitation, attorney's fees).

"***UCC***" shall mean the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the issue of perfection of security interests.

"***Unrestricted Cash and Permitted Investments***" of any Person, shall mean cash or Permitted Investments of such Person, (a) that are not, and are not required to be, designated as "restricted" on the financial statements of such Person, (b) that are not contractually required, and have not been contractually committed by such Person, to be used for a specific purpose, (c) that are not subject to (i) any provision of law, statute, rule or regulation, (ii) any provision of the Organizational Documents of such Person, (iii) any order of any Governmental Authority or (iv) any contractual restriction (including the terms of any Equity Interests), in each case of (i) through (iv), preventing such cash or Permitted Investments, as applicable, from being applied to the payment of the Obligations, (d) in which no Person other than the Collateral Agent has a Lien, other than the depository institution or securities intermediary at where such cash or Permitted Investments are maintained (to the extent permitted under Section 6.02(xi)), and (e) that are held in a Deposit Account or Securities Account, as applicable, in which the Collateral Agent has a valid and enforceable security interest, perfected by "control" (within the meaning of the applicable Uniform Commercial Code); *provided* for the ninety (90) day period following the Closing Date (or such longer period as the Administrative Agent may agree in its reasonable discretion), such Unrestricted Cash and Permitted Investments shall not be required to be subject to "control" in favor of the Collateral Agent.

"***Unutilized Revolving Loan Commitment***" shall mean, with respect to any RL Lender at any time, such RL Lender's Revolving Loan Commitment at such time less the aggregate outstanding principal amount of all Revolving Loans made by such RL Lender at such time.

"***U.S. Person***" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" shall have the meaning assigned to such term in Section 2.17(f)(ii)(B)(iii).

"***USA PATRIOT Act***" shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"***Warrant Agreement***" shall mean the agreement to purchase up to a certain amount of Equity Interests of SLS Breeze Holdings, Inc., dated the date hereof, executed by SLS Breeze Holdings, Inc. in order to issue the Warrants in the form of Exhibit H.

"***Warrants***" shall mean the warrants, in the form of Exhibit I, issued by SLS Breeze Holdings, Inc. in favor of each Person that was a Lender on the Closing Date.

"***Weighted Average Life to Maturity***" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"***Wholly Owned Subsidiary***" of any Person shall mean a Subsidiary of such Person of which securities (except for (i) directors' qualifying shares or (ii) in the case of Foreign Subsidiaries, nominal shares required by law to be owned by a resident of the relevant jurisdiction) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

"***Withdrawal Liability***" shall mean liability of any Loan Party or any ERISA Affiliate to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"***Withholding Agent***" means any Loan Party and the Administrative Agent.

"***Yield Enhancement Fee***" shall have the meaning assigned to such term in Section 2.05(b).

SECTION 1.02 ***Terms Generally***. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and

Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document or any other documents shall mean such document as amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited or restricted hereunder and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided, however*, that (x) any obligations of a Person under a lease (whether existing now or entered into in the future) that is not (or would not be) a Capital Lease Obligation under GAAP as in effect on the Closing Date shall not be treated as a Capital Lease Obligation solely as a result of the adoption of changes in GAAP and (y) if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant and the Administrative Agent consents (such consent not to be unreasonably withheld, delayed or conditioned) in writing (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI or any related definition for such purpose and the Borrower consents in writing (such consent not to be unreasonably withheld, delayed or conditioned)), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective and the Borrower shall provide to the Administrative Agent and the Lenders the reconciliation statements provided for in Section 5.04, until either such notice is withdrawn or such covenant is amended in a manner reasonably satisfactory to the Borrower and the Required Lenders. The term "enforceability" and its derivatives when used to describe the enforceability of an agreement shall mean that such agreement is enforceable except as enforceability may be limited by any insolvency, bankruptcy or debtor relief law and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). Any terms used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

SECTION 1.03 ***Independence of Covenants***. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted as an exception to, or would otherwise be within the limitations of, another covenants shall not avoid the occurrence of an Event of Default or Default of such action is taken or condition exists.

SECTION 1.04 ***Deliveries***. Notwithstanding anything herein to the contrary, whenever any document, agreement or other item is required by any Loan Document to be delivered on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

SECTION 1.05 ***Construction***. Each of the parties hereto acknowledges that (i) it has been represented by counsel in the negotiation and documentation of the terms of this Agreement, (ii) it has had full and fair opportunity to review and revise the terms of this Agreement, (iii) this Agreement has been drafted jointly by all of the parties hereto, and (iv) no Lender has any fiduciary relationship with or duty to Holdings, the Borrower or any of its Subsidiaries arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lenders, on the one hand, and Holdings, the Borrower and its Subsidiaries, on the other hand, in connection herewith or therewith is solely that of debtor and creditor in respect of the Indebtedness represented hereby. Accordingly, each of the parties hereto acknowledges and agrees that the terms of this Agreement shall not be construed against or in favor of another party.

SECTION 1.06 ***Certain Pro Forma Calculations***.

(a) For purposes of pro forma calculations of the Consolidated Leverage Ratio under ~~Section 2.01(b),~~ Section 2.23 and Section 6.04(vii), Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments and Asset Sales or other dispositions permitted hereunder (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if any such Permitted Acquisition or other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

(b) For purposes of calculations of the Consolidated Leverage Ratio under Section 6.10, Consolidated Revenue shall be calculated to give effect to any Permitted Acquisition or other Investments permitted hereunder funded (in whole or in part) with the proceeds of Incremental Loans, 2016 Term Loans, 2016 Acquisition Term Loans, Revolving Loans or cash common or preferred equity contributions to Holdings or issuance of Equity Interests by Holdings (other than Disqualified Stock) and Asset Sales or other dispositions (other than any dispositions in the ordinary course of business), in each case, consummated at any time on or after the first day of the applicable measurement period and prior to the last day of such measurement period as if such Permitted Acquisition or such other Investments permitted hereunder, Asset Sale or other Disposition had been effected on the first day of such period.

SECTION 1.07 ***Certain Increased Amounts***. Notwithstanding anything to the contrary herein, to the extent any increased amount of (i) Indebtedness is incurred in respect of the Permitted Capital Lease Amount, (ii) Investments are made in respect of the Permitted Non-Loan Party Investment Amount or (iii) Restricted Payments are made in respect of the Permitted Restricted Payment Amount, in each case, as of a date on which the Increase Conditions are satisfied (or, in each case, pursuant to a binding commitment entered into with a Person (other than an Affiliate of a Loan Party) as of a date on which the Increase Conditions were satisfied), and after such date the Increase Conditions cease to be satisfied, such increased amount so incurred or made (or that was committed to be incurred or made) shall not constitute an Event of Default hereunder; *provided*, that, so long as such Increase Conditions are not so satisfied, no additional amounts may be incurred or made (other than those amounts that were committed to be incurred or made when the Increase Conditions were satisfied).

ARTICLE II

The Credits

SECTION 2.01 ***Commitments***.

(a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Initial Term Loan Lender with an Initial Term Loan Commitment, severally and not jointly, made an Initial Term Loan to the Borrower on the Closing Date in a principal amount equal to its Initial Term Loan Commitment ~~at a purchase price of 100.0% of par. The Borrower may make only one borrowing of Initial Term Loans.~~ Amounts paid or prepaid in respect of Initial Term Loans may not be reborrowed.

(b) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each 2016 Term Loan Lender with a 2016 Term Loan Commitment agrees, severally and not jointly, ~~to make~~made 2016 Term Loans to the Borrower on the Second Amendment Effective Date. Amounts paid or prepaid in respect of 2016 Term Loans may not be reborrowed.

(c) Subject to the terms and conditions set forth herein and in the Third Amendment and relying upon the representations and warranties herein set forth, each 2016 Acquisition Term Loan Lender with an 2016 Acquisition Term Loan Commitment, severally and not jointly, agrees to make a 2016 Acquisition Term Loan to the Borrower on the Third Amendment Effective Date in a principal amount equal to its 2016 ~~Term Loan Commitment at a purchase price of 100.0% of par; *provided*, (I) no Default or Event of Default shall have occurred and be continuing under any of the Loan Documents; (II) each of the representations and warranties set forth in Article III shall remain true and correct in all material respects (without duplication of any materiality qualifiers contained therein); (III) the Consolidated Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be) delivered pursuant to Sections 5.04 (a) or (b) and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00 and (IV) the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.02(c). The Borrower may make only one borrowing of 2016 Term Loans. The 2016 Term Loans (i) shall be denominated in Dollars, (ii) subject to Section 2.10 and Section 2.11, once borrowed and subsequently repaid or prepaid may not be reborrowed and (iii) shall not exceed for any such 2016 Term Loan Lender at any time outstanding that aggregate principal amount (excluding PIK Interest that has been capitalized and added to the principal amount) that, when added to the principal amount of such 2016 Term Loan Lender's outstanding 2016 Term Loans, exceeds the 2016 Term Loan Commitment of such 2016 Term Loan Lender at such time.~~ Acquisition Term Loan Commitment. The Borrower may make only one borrowing of 2016 Acquisition Term Loans. Amounts paid or prepaid in respect of 2016 Acquisition Term Loans may not be reborrowed.

~~(d)~~ (c) Subject to and upon the terms and conditions set forth herein, each RL Lender with a Revolving Loan Commitment severally agrees to make, at any time and from time to time after the Second Amendment Effective Date and prior to the Maturity Date (the "***Availability Period***"), a revolving loan or revolving loans (each, a "***Revolving Loan***" and, collectively, "***Revolving Loans***") to the Borrower, which Revolving Loans (i) shall be denominated in Dollars, (ii) may be repaid and reborrowed in accordance with the provisions hereof, and (iii) shall not exceed for any such RL Lender at any time outstanding that aggregate principal amount that, when added to the principal amount of such RL Lender's outstanding Revolving Loans, exceeds the Revolving Loan Commitment of such RL Lender at such time.

SECTION 2.02 ***Loans; Notice of Borrowing***.

(a) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(b) Each Initial Term Loan Lender shall make the Initial Term Loan to be made by it hereunder on the Closing Date by wire transfer of immediately available funds to such account as the Borrower may designate not later than 2:00 p.m., Pacific time.

(c) The Borrower shall give the Administrative Agent at least ~~one~~three (~~1~~3) Business ~~Day~~Days prior notice (unless waived by the Administrative Agent in its reasonable discretion) of its request to incur 2016 Acquisition Term Loans hereunder, *provided* that any such notice shall be deemed to have been given on a certain day only if given before 1:00 p.m. (Pacific time) on such day. Such notice (the "***Notice of Borrowing***") shall be irrevocable and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A, appropriately completed to specify: (i) the aggregate principal amount of the 2016 Acquisition Term Loan to be incurred and (ii) the date of such borrowing (which shall be (x) a Business Day and (y) the ~~Second~~Third Amendment Effective Date). The

Administrative Agent shall promptly give each 2016 Acquisition Term Loan Lender, notice of such proposed borrowing, of such 2016 Acquisition Term Loan Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Borrowing.

(d) Whenever the Borrower desires to incur Revolving Loans, the Borrower shall give the Administrative Agent at least three Business Days' prior notice (unless waived by the Administrative Agent in its reasonable discretion) of its request to incur Revolving Loans hereunder, *provided* that any such notice shall be deemed to have been given on a certain day only if given before 1:00 p.m. (Pacific time) on such day. Such notice (the "***Notice of Revolver Borrowing***") shall be irrevocable (unless such notice provides that such request is contingent on the consummation of a transaction (which transaction shall be described in reasonable detail in such notice), in which case, such notice shall be revocable to the extent the transaction is not consummated on the date such Revolving Loan is requested to be made) and shall be in writing, or by telephone promptly confirmed in writing, in the form of Exhibit A-1, appropriately completed to specify: (i) the aggregate principal amount of the Revolving Loan to be incurred pursuant to such borrowing (which shall be in an amount that is an integral multiple of $100,000 and not less than $500,000 (in each case, unless the remaining Total Unutilized Revolving Loan Commitments is less than such amount)) and (ii) the date of such borrowing (which shall be a Business Day; *provided*, *however*, the Borrower shall be entitled to make no more than one request for a Revolving Loan per calendar week). The Administrative Agent shall promptly give each RL Lender, notice of such proposed borrowing, of such RL Lender's proportionate share thereof and of the other matters required by the immediately preceding sentence to be specified in the Notice of Revolver Borrowing.

(e) Without in any way limiting the obligation of the Borrower to confirm in writing any telephonic notice of any borrowing or prepayment of Loans, the Administrative Agent may act without liability upon the basis of telephonic notice of such borrowing, as the case may be, believed by the Administrative Agent in good faith to be from the Borrower, prior to receipt of written confirmation. In each such case, unless a written notice of such borrowing request has thereafter been provided by the Borrower, the Administrative Agent's record of the terms of such telephonic notice of such borrowing of Loans shall be prima facie evidence of their correctness, as the case may be, absent manifest error.

SECTION 2.03 ***Disbursement of Funds***.

No later than 2:00 P.M. (Pacific time) on (i) the Closing Date, each Initial Term Loan Lender will make available its pro rata portion (determined based upon its Initial Term Loan Commitment) of the borrowing of Initial Term Loans requested to be made, (ii) the Second Amendment Effective Date, each 2016 Term Loan Lender will make available its pro rata portion (determined based upon its 2016 Term Loan Commitment) of the borrowing of 2016 Term Loans requested to be made ~~and (iii~~(iii) the Third Amendment Effective Date, each 2016 Acquisition Term Loan Lender will make available its pro rata portion (determined based upon its 2016 Acquisition Term Loan Commitment) of the borrowing of 2016 Acquisition Term Loans requested to be made and (iv) the date specified in each Notice of Revolver Borrowing, each RL Lender will make available its pro rata portion (determined based upon its RL Commitment) of each such borrowing of Revolving Loans requested to be made on such date. All such amounts will be made available in Dollars and in immediately available funds at the Payment Office, and the Administrative Agent will make available to the Borrower at the Payment Office the aggregate of the amounts so made available by the Lenders. Unless the Administrative Agent shall have been notified by any Lender prior to the date of borrowing that such Lender does not intend to make available to the Administrative Agent such Lender's portion of any borrowing to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of borrowing and the Administrative Agent may (but shall not be obligated to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender,

the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly pay such corresponding amount to the Administrative Agent. The Administrative Agent shall be entitled to recover on demand from such Lender or the Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower until the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if recovered from such Lender, the overnight Federal Funds Effective Rate for the first three days and at the interest rate otherwise applicable to such Loans for each day thereafter and (ii) if recovered from the Borrower, the rate of interest applicable to the respective borrowing, as determined pursuant to Section 2.06. Nothing in this Section 2.03 shall be deemed to relieve any Lender from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Loans hereunder. This Section 2.03 is subject to Section 2.20.

SECTION 2.04 ***Evidence of Debt; Repayment of Loans***.

(a) The Borrower hereby unconditionally promises to pay to each Lender the principal amount of each Loan of such Lender as provided in Section 2.09.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The entries made in the accounts maintained pursuant to paragraph (b) above shall be *prima facie* evidence absent manifest error of the existence and amounts of the obligations therein recorded; *provided*, *however*, that the failure of any Lender to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(d) The Borrower's obligation to pay the principal of, and interest on, the Loans made by each Lender shall be evidenced in the Register maintained by the Administrative Agent pursuant to Section 9.04(d) and shall, if requested by such Lender, also be evidenced (i) in the case of Term Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B, with blanks appropriately completed in conformity herewith (each a "***Term Note***" and, collectively, the "***Term Notes***") and (ii) in the case of Revolving Loans, by a promissory note duly executed and delivered by the Borrower substantially in the form of Exhibit B-1, with blanks appropriately completed in conformity herewith (each a "***Revolving Note***", collectively, the "***Revolving Notes***" and together with the Term Notes, the "***Notes***"; provided that with respect to any Note issued prior to the Second Amendment Effective Date, all references to "Notes" therein shall be deemed to refer exclusively to Term Notes evidencing Initial Term Loans). To the extent of any conflict between the Register and the entries made in the accounts maintained pursuant to paragraph (b) above, the entries made in the Register shall control.

(e) Notwithstanding anything to the contrary contained above in this Section 2.04 or elsewhere in this Agreement, Notes shall only be delivered to Lenders that at any time specifically request the delivery of such Notes. No failure of any Lender to request or obtain a Note evidencing its Loans to the Borrower shall affect or in any manner impair the obligations of the Borrower to pay the Loans (and all related Obligations) incurred by the Borrower that would otherwise be evidenced thereby in accordance with the requirements of this Agreement, and shall not in any way affect the security or guaranties therefor provided pursuant to the Loan Documents. Any Lender that does not have a Note

evidencing its outstanding Loans shall in no event be required to make the notations otherwise described in preceding clause (b). At any time when any Lender requests the delivery of a Note to evidence any of its Loans, the Borrower shall promptly execute and deliver to the respective Lender the requested Note in the appropriate amount or amounts to evidence such Loans; *provided* that, to the extent a Note was previously delivered to such Lender but such Lender has since lost or misplaced such Note or the Note cannot otherwise be found, such Lender shall execute and deliver to the Borrower a customary lost note affidavit in form and substance reasonably satisfactory to the Borrower and such Lender.

SECTION 2.05 ***Fees***.

(a) The Borrower agrees to pay to the Administrative Agent for distribution to the applicable RL Lenders (based on their pro rata share of such average daily Unutilized Revolving Loan Commitments held for the applicable period) a commitment fee (the "***Commitment Fee***") for the period from and including the Second Amendment Effective Date to (but not including) the Maturity Date (or such earlier date on which the Total Revolving Loan Commitment has been terminated) computed at a rate per annum equal to 0.5% of the average daily Unutilized Revolving Loan Commitment of such RL Lender as in effect from time to time. Accrued Commitment Fees shall be due and payable quarterly in arrears on each Interest Payment Date and, to the extent such date is not also an Interest Payment Date, on the date upon which the Total Revolving Loan Commitment is terminated.

(b) The Borrower agrees to pay to the Administrative Agent for distribution to each 2016 Acquisition Term Loan Lender a yield enhancement fee (the "***Yield Enhancement Fee***") on the ~~Second~~Third Amendment Effective Date equal to ~~2.0~~1.0% of the aggregate 2016 Term Acquisition Loan Commitments (to the extent the 2016 Acquisition Term Loan related to such 2016 Acquisition Term Loan Commitments are outstanding on the ~~Second~~Third Amendment Effective Date).

(c) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent or the Lenders, as applicable. Once paid, to the extent the Loans related to such Fees are actually funded in accordance with the Loan Documents, none of the Fees shall be refundable under any circumstances or subject to any right of setoff, counterclaim or any similar right (each of which is hereby waived by Holdings and the Borrower).

SECTION 2.06 ***Interest on Loans***.

(a) Subject to the provisions of Section 2.07, Revolving Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the sum of the Libor Rate plus 6.0% per annum (or, to the extent the Administrative Agent shall have delivered a LIBOR Unavailability Notice to the Borrower and the Lenders pursuant to Section 2.12(e), the Alternate Base Rate plus 5.0% per annum).

(b) Subject to the provisions of Section 2.07, the Initial Term Loans, the 2016 Term Loans and the 2016 Acquisition Term Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the sum of the Libor Rate plus 8.0% per annum (or, to the extent the Administrative Agent shall have delivered a LIBOR Unavailability Notice to the Borrower and the Lenders pursuant to Section 2.12(e), the Alternate Base Rate plus 7.0% per annum); *provided*, *however*, the Borrower may elect to pay, in kind, a portion of such accrued and unpaid interest (any such interest paid in kind, the "***PIK Interest***") due on any Interest Payment Date up to the maximum percentage set forth in the table below opposite the relevant period in which such Interest Payment Date occurs of the total accrued and unpaid interest payable on such Interest Payment Date; it being deemed that the Borrower has elected the maximum PIK Interest for each period during the term of this Agreement unless the Borrower shall have delivered a certificate executed by a

Responsible Officer of the Borrower to the Administrative Agent certifying that the Borrower has elected to pay interest with respect to the applicable Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans for the applicable period then ending (i) in such lesser percentage of PIK Interest and specifying the amount of such PIK Interest or (ii) in cash only. To change the type of payment of interest for any period, such officer's certificate must be delivered to the Administrative Agent at least 5 Business Days prior to the applicable Interest Payment Date for such period. The Borrower may specify in such officer's certificate whether such change in the type of payment of interest is just for a specific period or shall be applicable to all future periods during the term of the Agreement until another officer's certificate is delivered specifying a different type of payment of interest for a period or periods.

Period	*Maximum Percentage of Total Interest That May be Paid In Kind*
From and after the ~~Closing~~Third Amendment Effective Date to and including the ~~second~~first anniversary of the ~~Closing~~Third Amendment Effective Date	**~~80.0~~50.0%**
~~After the second anniversary of the Closing Date to and including the third anniversary of the Closing Date~~	**~~70.0~~%**
After the ~~third~~first anniversary of the ~~Closing~~Third Amendment Effective Date	**~~60.0~~40.0%**

All interest due and payable hereunder that the Borrower elects to pay in the form of PIK Interest shall be capitalized, added to the then-outstanding principal amount of the applicable Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans as additional principal obligations hereunder on and as of such Interest Payment Date and shall automatically constitute a part of the outstanding principal amount of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans for all purposes hereof (including the accrual of interest thereon at the rates applicable to the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans generally). Any determination of the principal amount outstanding under the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans after giving effect to any payment of PIK Interest hereunder or otherwise that is reasonably made by the Administrative Agent or the Lenders in good faith shall be prima facie evidence of the correctness of such determination in the absence of manifest error.

(c) Interest on each Loan shall be payable on the Interest Payment Dates except as otherwise provided in this Agreement. Interest on each Loan shall be paid in cash except as otherwise provided in this Agreement.

SECTION 2.07 ***Default Interest***. Upon the occurrence and during the continuation of any Event of Default, the outstanding principal amount of all Loans and, to the extent permitted by applicable law, any interest payments thereon not paid when due and any fees and other amounts then due and

payable hereunder, shall thereafter, automatically in the case of an Event of Default under Sections 7.01(a), (g) or (h) and at the written election of the Administrative Agent (acting at the written direction of the Required Lenders) otherwise (it being understood that such election may apply retroactively to the date such other Event of Default occurred), bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws) payable upon written demand at the rate otherwise applicable to such Loan pursuant to Section 2.06 plus 2.0% per annum. Payment or acceptance of the increased rates of interest provided for in this Section 2.07 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 2.08 ***Termination of Commitments***.

(a) The Initial Term Loan Commitments shall automatically terminate upon the making of the Initial Term Loans on the Closing Date.

(b) The 2016 Term Loan Commitment shall automatically terminate upon the making of the 2016 Term Loans on the Second Amendment Effective Date.

(c) The 2016 Acquisition Term Loan Commitment shall automatically terminate upon the making of the 2016 Acquisition Term Loans on the Third Amendment Effective Date.

(d)~~(c)~~ The Total Revolving Loan Commitment shall terminate in its entirety upon the Maturity Date.

SECTION 2.09 ***Repayment of Loans***.

To the extent not previously paid, all Loans shall be due and payable on the Maturity Date (or, if such day is not a Business Day, on the next succeeding Business Day), in immediately available funds, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

SECTION 2.10 ***Optional Prepayment***.

(a)(i) Subject to Section 2.11(j), the Borrower shall have the right at any time and from time to time to prepay the Term Loans (which shall be applicable towards the outstanding Initial Term Loans, 2016 Term Loans and 2016 Acquisition Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis), in whole or in part, at 100% of the principal amount so prepaid, plus, with respect to the Initial Term Loans ~~and,~~ the 2016 Term Loans and 2016 Acquisition Term Loans only (but such Applicable Prepayment Premium shall not apply to any Incremental Loans), the Applicable Prepayment Premium in respect of the principal amount so prepaid (*provided*, *however*, that each partial prepayment shall be in a principal amount that is an integral multiple of $500,000 and not less than $1,000,000, in each case, unless the remaining outstanding amount of the Initial Term Loans ~~or,~~ the 2016 Term Loans or 2016 Acquisition Term Loans, as applicable, is less than such amount).

(ii) The Borrower shall have the right at any time and from time to time to prepay all or any portion of Revolving Loans or other Obligations (other than the Term Loans, which are covered by Section 2.10(a)(i) above), without premium or penalty; provided, however, that (x) each partial prepayment of the Revolving Loans shall be in an amount that is an integral multiple of $50,000 and not less than $100,000 (in each case, unless the remaining outstanding amount of Revolving Loans is less

than such amount) and (y) the Borrower shall give the Administrative Agent one Business Day's prior written notice of such prepayment of the Revolving Loans; *provided* that such notice may be contingent on the satisfaction of certain conditions set forth therein, and such notice shall be deemed revoked if the conditions set forth therein are not satisfied within the time periods set forth in such notice for the satisfaction thereof (or are waived in writing by the Borrower).

(b) The Borrower will give at least 3 Business Days' prior written notice of each optional prepayment of the Term Loans under this Section 2.10 to the Administrative Agent. Each such notice shall specify the prepayment date, the aggregate principal amount of the Term Loans to be prepaid on such date, and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and, solely to the extent any such prepayment is made prior to the third anniversary of the Closing Date, shall be accompanied by a certificate of a Financial Officer of the Borrower as to the estimated Applicable Prepayment Premium due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Such notice shall be irrevocable and shall commit the Borrower to prepay the Term Loans by the amount stated therein on the date stated therein; *provided* that such notice may be contingent on the satisfaction of certain conditions set forth therein, and such notice shall be deemed revoked if the conditions set forth therein are not satisfied within the time periods set forth in such notice for the satisfaction thereof (or are waived in writing by the Borrower). All prepayments under this Section 2.10 shall be subject to Section 2.13. All prepayments under this Section 2.10 shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment, but, for the avoidance of doubt, no Applicable Prepayment Premium shall be paid or due (i) on any interest (other than, for the avoidance of doubt, PIK Interest on the Initial Term Loans ~~and~~, the 2016 Term Loans and 2016 Acquisition Term Loans that has been capitalized and added to principal of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) or amounts other than the principal amount of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans so prepaid, (ii) on the proceeds of a Cure Contribution or Cure Securities that are used to prepay the Loans, (iii) on any principal of, or other amounts related to, the Revolving Loans in accordance with Section 2.10(a)(ii) or Incremental Loans or (iv) on any Revolving Loan Commitments, 2016 Term Loan Commitments, or 2016 Acquisition Term Loan Commitments or Incremental Commitments that are reduced or terminated. Subject to Section 2.11(j), each prepayment pursuant to this Section 2.10 in respect of the Initial Term Loans ~~and~~, the 2016 Term Loans and 2016 Acquisition Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) shall be applied *pro rata* among such Term Loans.

(c) Notwithstanding anything herein to the contrary, the Borrower shall repay in full, without penalty or premium, all Revolving Loans, together with all accrued and unpaid interest thereon, and the Revolving Loan Commitments of all RL Lenders shall automatically terminate and be reduced to zero, in each case, on the date of any repayment or prepayment (optional, mandatory or otherwise) of all of the Term Loans in full.

SECTION 2.11 ***Mandatory Prepayments***.

(a) ***Revolving Loans in Excess of Commitments***. On any day on which the sum of the aggregate outstanding principal amount of all Revolving Loans (after giving effect to all other repayments thereof on such date) exceeds the Total Revolving Loan Commitment, the Borrower shall prepay on such day (or if such day is not a Business Day, on the next Business Day) the principal of Revolving Loans in an amount equal to such excess.

(b) ***Net Asset Sale Proceeds***. Not later than the tenth Business Day following the receipt of Net Asset Sale Proceeds by the Borrower or any of its Subsidiaries, the Borrower shall either (1) apply an amount equal to 100% of the Net Asset Sale Proceeds received with respect thereto to prepay outstanding

Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) in accordance with Section 2.11(f) and Section 2.11(g) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) or (2) so long as no Event of Default shall have occurred and be continuing, deliver to the Administrative Agent a certificate of a Responsible Officer stating that the Borrower or such Subsidiary intends to reinvest or enter into a binding commitment to reinvest such Net Asset Sale Proceeds in assets used or that are useful in the business of the Borrower and its Subsidiaries within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, within 405 days) of such date of receipt of such Net Asset Sale Proceeds. In addition, the Borrower shall, no later than 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) after receipt of such Net Asset Sale Proceeds that have not theretofore been applied to the Obligations or that have not been so reinvested as provided above, make an additional prepayment of the Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and/or, to the extent required by Section 2.11(j), make a permanent repayment of the Revolving Loans (with a corresponding permanent reduction of the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in an amount equal to the full amount of all such Net Asset Sale Proceeds in accordance with Section 2.11(f) and Section 2.11(g) (and, to the extent applicable, Section 2.11(j)) within ten Business Days after the last day of the 270 or 405 day period, as applicable.

(c) ***Net Insurance/Condemnation Proceeds***. No later than the tenth Business Day following the date of receipt by the Borrower or any of its Subsidiaries of any Net Insurance/Condemnation Proceeds in excess of $500,000 for all Casualty Events in any fiscal year of the Borrower, the Borrower shall prepay outstanding Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in an aggregate amount equal to such excess; *provided*, so long as no Event of Default shall have occurred and be continuing, the Borrower shall have the option, directly or through one or more of its Subsidiaries to invest such excess amount within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof (i) in assets used or that are useful in the business of the Borrower and its Subsidiaries or (ii) to repair, restore or replace the assets subject to the applicable Casualty Event; and *provided*, *further*, that an amount equal to any such Net Insurance/Condemnation Proceeds that have not been reinvested within 270 days (or, in the case of a binding commitment to reinvest entered into within 270 days, 405 days) of receipt thereof shall be applied by the Borrower to prepay the Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) (and/or, to the extent required by Section 2.11(j), the Revolving Loans (with a corresponding permanent reduction of the Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the amounts and pursuant to the terms set forth in Section 2.11(j)) in accordance with Section 2.11(f) and Section 2.11(g) (and, to the extent applicable, Section 2.11(j)).

(d) ***Issuance of Indebtedness***. On the date of receipt of the Net Securities Proceeds from the issuance of any Indebtedness of Holdings, the Borrower or any of its Subsidiaries after the Closing Date (other than Indebtedness permitted under Section 6.01), the Borrower shall prepay the Term Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) in accordance with Section 2.11(f) and Section 2.11(g) (and, to the extent Section 2.11(j) is applicable, to permanently repay Revolving Loans (with a corresponding permanent reduction in Revolving Loan Commitment) or permanently reduce the Unutilized Revolving Loan Commitment, in each case, in the

amounts and pursuant to the terms set forth in Section 2.11(j)) in an aggregate amount equal to such Net Securities Proceeds.

(e) ***Change of Control***. Upon the occurrence of a Change of Control, the Borrower shall offer to prepay all Loans (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) then outstanding at 100% of the principal amount (together with a termination of the Revolving Loan Commitment), plus, with respect to with respect to the Initial Term Loans ~~and~~, the 2016 Term Loans and 2016 Acquisition Term Loans only, the Change of Control Prepayment Premium.

(f) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.11 a certificate signed by a Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and to the extent practicable, at least three days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the principal amount of each Loan (or portion thereof) to be prepaid, and, if applicable, the Applicable Prepayment Premium or Change of Control Prepayment Premium due in connection with such prepayment. All prepayments of Loans under this Section 2.11 shall be subject to Section 2.11(g), Section 2.11(h), Section 2.11(j) and Section 2.13 and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment. For the avoidance of doubt, no Applicable Prepayment Premium or Change of Control Prepayment Premium shall be due on (i) interest (other than, for the avoidance of doubt, PIK Interest on the Initial Term Loans, the 2016 Term Loans and the 2016 Acquisition Term Loans that has been capitalized and added to principal of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) or amounts other than the principal amount of the Initial Term Loans , 2016 Term Loans or 2016 Acquisition Term Loans so prepaid, (ii) any principal on the Revolving Loans or Incremental Loans, (iii) any amount or Obligations other than the principal amount of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans so prepaid or (iv) any Revolving Loan Commitments, 2016 Term Loan Commitments, 2016 Acquisition Term Loan Commitments or Incremental Commitments that are reduced or terminated. Subject to Section 2.11(j), all prepayments of the Term Loans pursuant to paragraphs (b), (c), (d) or (e), as applicable, of this Section 2.11, shall be applied to the outstanding Initial Term Loans ~~and~~, the 2016 Term Loans and 2016 Acquisition Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis.

(g) Notwithstanding anything to the contrary herein, any Lender may elect, by notice to the Borrower, prior to any prepayment of Loans or an offer to prepay the Term Loans required to be made by the Borrower pursuant to paragraph (b), (c) (d) or (e), as applicable, of this Section 2.11 (other than, in the case of clause (d), a prepayment of all Loans in connection with a refinancing in full thereof), to decline all (but not a portion) of its *pro rata* share of such prepayment (such declined amounts, the "***Declined Proceeds***"). Any Declined Proceeds shall be offered on a *pro rata* basis to the Term Loan Lenders (with respect to their remaining Term Loans only (but, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) not so declining such prepayment. To the extent such non-declining Term Loan Lenders elect to decline their *pro rata* shares of such Declined Proceeds, such Declined Proceeds may be retained by the Borrower.

(h) With respect to any prepayment of Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans (including capitalized PIK Interest thereof) required to be made by the Borrower pursuant to paragraph (e) of this Section 2.11, the Borrower shall pay the Change of Control Prepayment Premium (if any) determined for the prepayment date with respect to such principal amount of Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable, paid.

(i) With respect to any prepayment of Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans (including capitalized PIK Interest thereof) required to be made by the Borrower

pursuant to paragraph (d) of this Section 2.11 or Article VII (other than on account of an acceleration resulting solely from a breach of Section 6.10), the Borrower shall pay the Applicable Prepayment Premium determined for the prepayment date with respect to such principal amount of Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable, paid. For the avoidance of doubt, no Applicable Prepayment Premium, Change of Control Prepayment Premium or any other prepayment premium shall be required to be paid with respect to any prepayment pursuant to paragraphs (a), (b) or (c) of this Section 2.11 or Section 7.02 or with respect to any prepayment, repayment or payment of the Revolving Loans (or in connection with any reduction in, or termination of, the Revolving Loan Commitments), or the Incremental Loans (or in connection with any reduction in, or termination of, the Incremental Commitments).

(j) Notwithstanding anything to the contrary herein, subject to Section 2.10(c), in the event the aggregate outstanding principal amount of the Term Loans is $15,000,000 or less or any repayment or prepayment (optional, mandatory or otherwise) of the Term Loans will cause the outstanding principal amount to be $15,000,000 or less, each amount required to be applied pursuant to Section 2.10(a)(i) and paragraphs (b), (c), (d) or (e) of this Section 2.11 shall be applied (i) first, to permanently prepay the Term Loans in such an amount that would cause the outstanding principal amount of the Term Loans to equal $15,000,000, (ii) second, to permanently repay any outstanding Revolving Loans (provided that each such repayment shall apply proportionately to permanently reduce the Revolving Loan Commitment of each RL Lender) until the outstanding principal amount of Revolving Loans is zero, (iii) third, to permanently reduce the Unutilized Revolving Loan Commitment until the Total Revolving Loan Commitment is zero (it being understood that cash equal to the amount of the Unutilized Revolving Loan Commitment so reduced may be retained by the Borrower and shall not be required to prepay the Term Loans pursuant to Section 2.11(j)(iv)), and (iv) thereafter, to permanently prepay the remaining outstanding principal amount of the Initial Term Loans, the 2016 Term Loans and ~~the~~ 2016 Acquisition Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis.

(k) Notwithstanding anything to the contrary herein, if the Runbook Acquisition shall not have been consummated on or prior to the date occurring five (5) days after the Third Amendment Effective Date, the Borrower shall immediately repay all outstanding 2016 Acquisition Term Loans on such date, together with all accrued and unpaid interest thereon. No Applicable Prepayment Premium or other prepayment premium shall apply to any prepayment required to be made pursuant to this clause (k).

SECTION 2.12 ***Reserve Requirements; Change in Circumstances***.

(a) Notwithstanding any other provision of this Agreement, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender or shall impose on such Lender any other condition affecting this Agreement or Loans made by such Lender; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender,

upon written demand, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender shall have reasonably determined that any Change in Law regarding capital adequacy or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender pursuant hereto to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section 2.12 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate delivered by it within 10 Business Days after its receipt of the same.

(d) Failure or delay on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be under any obligation to compensate any Lender under paragraph (a) or (b) of this Section 2.12 with respect to increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies in writing the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof). The protection of this Section 2.12(d) shall be available to each Lender and regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

(e) Notwithstanding anything to the contrary, in the event that the Administrative Agent shall have reasonably determined that dollar deposits in the principal amounts of the Loan are not generally available in the London interbank market, or that the rates at which such dollar deposits are being offered will not adequately and fairly reflect the cost to the majority of Lenders of making or maintaining loans at the three-month London Interbank Offered Rate, or that reasonable means do not exist for ascertaining the Libor Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the Lenders (a "***LIBOR Unavailability Notice***"). In the event of any such reasonable determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, interest on the Loan shall accrue by reference to the Alternate Base Rate. Each determination by the Administrative Agent under this Section 2.12(e) shall be *prima facie* evidence absent manifest error.

SECTION 2.13 ***Indemnity***. Subject to the limitations set forth in Section 9.05(b) and the time period for payment set forth in Section 9.05(e), the Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of any default by the Borrower in the making of any payment or prepayment required to be made hereunder. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.13 shall be delivered to the Borrower and shall be *prima facie* evidence absent manifest error.

SECTION 2.14 ***Pro Rata Treatment***. Except as otherwise provided in this Agreement the Administrative Agent agrees that promptly after its receipt of each payment from or on behalf of the Borrower in respect of any Obligations hereunder, the Administrative Agent shall distribute such payment to the Lenders entitled thereto (other than any Lender that has consented in writing to waive its *pro rata* share of any such payment) *pro rata* based upon their respective shares, if any, of the Obligations with respect to which such payment was received. This Section 2.14 is subject to Section 2.20.

SECTION 2.15 ***Ratable Sharing***. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (but excluding any sale or participation of its Loans to a Person other than the Borrower or an Affiliate thereof, which shall be included), obtain payment (voluntary or involuntary) in respect of any principal of any Loan as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall (a) notify the Administrative Agent of such fact and (b) be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided*, *however*, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.15 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower and Holdings expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim or other event with respect to any and all moneys owing by the Borrower and Holdings to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.16 ***Payments***.

(a) Except with respect to any PIK Interest pursuant to Section 2.06, the Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder and under any other Loan Document not later than 11:00 a.m., Local Time, on the date when due in immediately available Dollars, without setoff, defense (other than the defense of payment) or counterclaim. Subject to Section 2.20, each such payment shall be made to the Administrative Agent for distribution to the Lenders or other appropriate Person. Each such payment that is payable to a Lender shall be paid directly to such Lender at the office identified on Schedule 2.01 for such Lender or as otherwise directed by such Lender in writing from time to time, and each such payment that is payable to the Administrative Agent or the Collateral Agent shall be paid directly to the Administrative Agent or Collateral Agent, as applicable, at their respective offices identified on Schedule 2.01 or as otherwise directed by the Administrative Agent or Collateral Agent, as applicable, in writing from time to time.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.17 ***Taxes***.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Holdings and the Borrower shall, or shall cause each of the Loan Parties to, timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Administrative Agent has not already been indemnified by any of the Loan Parties for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(g) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, the Borrower shall, or shall cause such Loan Party to, deliver to the Administrative Agent or the applicable Lender, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent or the applicable Lender, as the case may be.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the applicable Withholding Agent such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17 (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, any Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income Tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such Tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such Tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that (A) such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (B) the interest payments in question are not effectively connected with a U.S. trade or business conducted by such Foreign Lender (a "***U.S. Tax Compliance Certificate***") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E;

(iv) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership), executed originals of IRS Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, W-8BEN-E, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if one or more direct or indirect beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender shall provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect beneficial owner; or

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(D) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such Tax had never been paid.

(h) Nothing contained in this Section 2.17 shall require any Lender (or any transferee or assignee) or either Agent to make available any of its Tax Returns or any other information that it deems to be confidential or proprietary.

SECTION 2.18 ***Assignment of Loans Under Certain Circumstances; Duty to Mitigate***.

(a) Notwithstanding anything to the contrary set forth in this Agreement, in the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.12, (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.17 or (iii) any Lender refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, and, in the case of clause (i) or (ii), such Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(b) that would not require such compensation or requirement to pay such amounts, the Borrower, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, may require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.12 or Section 2.17) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that, (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, and (z) the Borrower or such assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans of such Lender, plus all Fees and other amounts that have accrued and have earned for the account of such Lender hereunder with respect thereto (including any amounts under Section 2.12 and Section 2.13); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.12 or the amounts paid pursuant to Section 2.17, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital or cease to result in amounts being payable under Section 2.17, as the case may be (including as a result of any action taken by such Lender pursuant to paragraph (b) of this Section 2.18), or if such Lender shall waive its right to claim further compensation under Section 2.12 in respect of such circumstances or event or shall waive its right to further payments under Section 2.17 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder; *provided*, *however*, that any prior transfer or assignment shall still be in full force and effective. Each Lender hereby grants to the Administrative Agent an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.18.

(b) If (i) any Lender shall request compensation under Section 2.12 or (ii) the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) to assign (at the request of the Borrower) its rights and delegate and transfer its obligations hereunder to

another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.12 or would reduce amounts payable pursuant to Section 2.17, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

SECTION 2.19 ***Voluntary Termination of Unutilized Revolving Loan Commitments***. Upon at least 3 Business Days' prior written notice to the Administrative Agent, the Borrower shall have the right, at any time or from time to time, without premium or penalty, to terminate the Total Unutilized Revolving Loan Commitment in whole, or reduce it in part, pursuant to this Section 2.19, in an integral multiple of $1,000,000 in the case of partial reductions to the Total Unutilized Revolving Loan Commitment, provided that each such reduction shall apply proportionately to permanently reduce the Revolving Loan Commitment of each RL Lender.

SECTION 2.20 ***Obsidian Agency Services as Administrative Agent***. Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, at any time that Obsidian Agency Services, Inc. serves as the Administrative Agent hereunder, (a) the Lenders shall directly fund the Loans to the Borrower, (b) each Lender shall provide wire instructions to the Borrower with respect to payments to be received from the Borrower hereunder and the Borrower shall directly make any payments required or permitted hereunder to the Lenders and (c) neither the Lenders nor the Borrower shall remit any funds to the Administrative Agent to forward to another party hereunder.

SECTION 2.21 ***Tax Treatment***.

(a) Holdings, the Borrower and each of the Lenders agree, (i) that the Loans are debt for U.S. federal income tax purposes, (ii) that the Initial Term Loans ~~are~~and the 2016 Term Loans were issued with original issue discount ("***OID***") ~~solely on account of the PIK Interest and value allocated to the Warrants under Section 2.21(b),~~ (iii) that the 2016 Acquisition Term Loans are issued with OID ~~solely on account of the PIK Interest,~~ (iv) that the Initial Term Loans, 2016 Term Loans and 2016 Acquisition Term Loans, as applicable, are not governed by the rules set out in Treasury Regulations Section 1.1275-4 and (v) not to file any Tax Return, report or declaration inconsistent with the foregoing, except as otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any corresponding provision of state, local or foreign tax law).

(b) In connection with the Initial Term Loans, each of the Initial Term Loan Lenders ~~is receiving~~received Warrants on the Closing Date. The Initial Term Loans and Warrants ~~are~~were considered to be the issuance of an "investment unit" under Section 1273(c)(2) of the Code, and the parties agree that the aggregate fair market value of the Warrants ~~shall be~~was $1,060,000 for purposes of the investment unit allocation rules under Section 1273(c)(2) of the Code. The Borrower and each of the Lenders agree to report in a manner that is consistent with this allocation for all tax purposes.

(c) The inclusion of this Section 2.21 is not an admission by any Lender that it is subject to United States taxation.

SECTION 2.22 ***AHYDO***. Notwithstanding anything herein to the contrary, if (1) the Initial Term Loans remain outstanding after the fifth anniversary of the initial issuance thereof and (2) the aggregate amount of the accrued but unpaid interest on the Initial Term Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of any Testing Date occurring after such fifth anniversary exceeds an amount equal to the Maximum Accrual, then all such accrued but unpaid interest on the Initial Term Loans (including any amounts treated as interest for U.S. federal income tax purposes, such as "original issue discount") as of such time in excess

of an amount equal to the Maximum Accrual shall be paid in cash by the Borrower to the Lenders on such Testing Date, it being the intent of the parties hereto that the deductibility of interest under the Initial Term Loans shall not be limited or deferred by reason of Section 163(e)(5) and Section 163(i) of the Code. For these purposes, the "Maximum Accrual" is an amount equal to the product of such Initial Term Loans' issue price (as defined in Code Sections 1273(b) and 1274(a)) and their yield to maturity, and a "Testing Date" is the date on which any "accrual period" (within the meaning of Section 1272(a)(5) of the Code) closes.

SECTION 2.23 ***Incremental Facility***.

(a) From time to time after the ~~Closing~~Third Amendment Effective Date, but not more than two occasions~~ during the term of the Loans,~~ Borrower may by written notice to the Administrative Agent, elect prior to the Maturity Date, the establishment of one or more new term loan commitments (the "***Incremental Commitments***"), by (1) an amount not in excess of $~~20,000,000~~11,000,000 in the aggregate and (2) and not less than $1,000,000 individually (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or conditioned) or (y) constitute the difference between $20,000,00011,000,000 and all such Incremental Commitments obtained prior to such date), and integral multiples of $1,000,000 in excess of that amount (or such lesser amount which shall either (x) be approved by the Administrative Agent (which approval shall not be unreasonably delayed, withheld or conditioned) or (y) constitute the difference between $~~20,000,000~~11,000,000 and all such Incremental Commitments obtained prior to such date). Each such notice shall specify (A) the date (each, an "***Increased Amount Date***") on which Borrower determines that the Incremental Commitments shall be effective, which shall be a date not less than~~ ten (10) Business Days~~60 days after the date on which such notice is delivered to the Administrative Agent (or such shorter period as shall be reasonably acceptable to the Administrative Agent) and (B) the identity of each Lender or other Person (each of which must be an Eligible Incremental Lender) (each, an "***Incremental Lender***") to whom Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations; *provided*, that each existing Lender shall first be afforded, by written notice to the Administrative Agent (which notice shall be promptly forwarded by the Administrative Agent to the applicable existing Lenders and the Administrative Agent agrees to promptly forward such notice to the Lenders prior to the Increased Amount Date, but any failure to deliver such notice shall not prevent the above-mentioned~~ ten (10) Business Day~~60-day period from running after the Administrative Agent has received such notice), the opportunity to provide its Loan Commitment Percentage of any Incremental Commitments, as applicable; *provided*, *further*, that any Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment. Each Lender may elect to provide all or a portion of its Loan Commitment Percentage of any Incremental Commitments, as applicable, by providing written notice (each, an "***Acceptance Notice***") to the Administrative Agent and the Borrower no later than 5:00 p.m. Local Time~~ ten~~forty-five (~~10~~45) days after the date of the Administrative Agent's receipt of notice from the Borrower. Each Acceptance Notice from a given Lender shall specify the principal amount of the Incremental Commitment to be provided by such Lender. If a Lender fails to deliver an Acceptance Notice to the Administrative Agent within the time frame specified above or such Acceptance Notice fails to specify the principal amount of the Incremental Commitments to be provided, any such failure will be deemed a rejection of the opportunity to provide any portion of the Incremental Commitment, and the Borrower may have other Persons provide the remaining uncommitted portion of the Incremental Commitments. Such Incremental Commitments shall become effective as of such Increased Amount Date; *provided* that after giving effect to the making of any Incremental Loans and the use of proceeds thereof, (I) no Default or Event of Default shall have occurred and be continuing under any of the Loan Documents; (II) each of the representations and warranties set forth in Article III shall remain true and correct in all material respects (without duplication of any materiality qualifiers contained therein); and (III) the Consolidated

Leverage Ratio, calculated on a pro forma basis for the last twelve month period for which financial statements have been (or were required to be) delivered pursuant to Sections 5.04 (a) or (b) and after giving effect to any Permitted Acquisitions or Investments permitted under the Loan Documents or prepayments of the Loans, shall be no greater than 0.74:1.00. The Incremental Commitments, as applicable, shall be effected pursuant to one or more amendments (each, an "***Incremental Loan Amendment***") executed and delivered by Borrower, the Incremental Lender and the Administrative Agent and each of which shall be recorded in the Register (*provided* that the Administrative Agent agrees to execute and deliver any Incremental Loan Amendment satisfying the requirements of this Section 2.23 and otherwise in compliance with the terms of this Agreement).

(b) Any Incremental Loans made on an Increased Amount Date shall be designated a separate Tranche of Incremental Loans for all purposes of this Agreement. On any Increased Amount Date on which any Incremental Commitments are effected, subject to the satisfaction or waiver of the foregoing terms and conditions, (i) each Incremental Lender shall make a term loan to Borrower (an "***Incremental Loan***") in an amount equal to its Incremental Commitment, and (ii) each Incremental Lender shall become a Term Loan Lender and a Lender hereunder with respect to the Incremental Commitment and the Incremental Loans made pursuant thereto.

(c) The Administrative Agent shall notify the Lenders promptly upon receipt of Borrower's notice of each Increased Amount Date and in respect thereof the Incremental Commitments and the Incremental Lenders.

(d) The terms and provisions of the Incremental Loans and Incremental Commitments shall be as agreed between Borrower and the Incremental Lenders providing such Incremental Loans and Incremental Commitments and except as otherwise permitted pursuant to this clause (e), shall be either on terms (x) substantially consistent (taken as a whole) with the Initial Term Loans made on the Closing Date or (y) no more favorable (taken as a whole) to the Incremental Lenders than the terms applicable to the Initial Term Loans made on the Closing Date. In any event:

(i) the Incremental Loans shall rank *pari passu* in right of payment and be equal with respect to security with the Initial Term Loans, the 2016 Term Loans, the 2016 Acquisition Term Loans and the Revolving Loans;

(ii) the Weighted Average Life to Maturity of the Incremental Loans shall be no shorter than the Weighted Average Life to Maturity of the Initial Term Loans made on the Closing Date (except by virtue of prepayment of such Loans prior to the time of such incurrence);

(iii) the final maturity date of the Incremental Loans shall be no earlier than the Maturity Date of the Initial Term Loans, the 2016 Term Loans, the 2016 Acquisition Term Loans and the Revolving Loans;

(iv) at the option and agreement of the Borrower and the Incremental Lenders, the Incremental Loans may share ratably in right of prepayment with the Initial Term Loans, the 2016 Term Loans and the 2016 Acquisition Term Loans pursuant to Sections 2.10 and 2.11 or otherwise; and

(v) the all-in yield applicable to such Incremental Loans (including interest rate margins and interest rate floors with respect to such Incremental Loans (based on the lesser of a four-year average life to maturity and the remaining life to maturity) (but only to the extent an increase in the interest floor in the Initial Term Loans would cause an increase in the interest rate then in effect hereunder, and in such case, the interest rate floor (but not the interest rate margin) applicable to such Initial Term Loans shall be increased to the extent of such differential above the 0.50% threshold below

between interest rate floors), but excluding arrangement, structuring, underwriting, amendment or other fees paid or payable to the Administrative Agent, the Collateral Agent, the Lenders on the Closing Date or their Affiliates or that are not generally paid to all lenders of such type of indebtedness) shall not be greater than the corresponding all-in yield applicable to the Initial Term Loans plus 0.50% per annum (any such amount in excess of such 0.50% threshold, the "***Excess Rate***") unless the interest rate margin with respect to the Initial Term Loans are increased by an amount equal to the Excess Rate.

(e) Each Incremental Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable and mutual opinion of the Agents and Borrower to effect the provision of this Section 2.23, and for the avoidance of doubt, this Section 2.23 shall supersede any provisions in Sections 2.14 or 9.08 to the contrary.

(f) The Incremental Loans and Incremental Commitments extended or established pursuant to this Section 2.23 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Credit Documents, and shall, without limiting the foregoing, benefit equally and ratably from the guarantees and security interests created by the Security Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure or demonstrate that the Lien and security interests granted in the Collateral by the Security Documents continue to be perfected under the Uniform Commercial Code or otherwise after giving effect to the extension or establishment of any such Incremental Loans or any such Incremental Commitments.

ARTICLE III

Representations and Warranties

In order to induce the Lenders to enter into this Agreement and to make the Loans, each of Holdings and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders on the Closing Date and at the time of making the 2016 Term Loans, the 2016 Acquisition Term Loans, any Incremental Loan or Revolving Loan, as applicable, after the Closing Date that:

SECTION 3.01 ***Organization; Powers***. Each of the Loan Parties and their respective Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents to which it is or will be a party and, in the case of the Borrower, to borrow Loans hereunder.

SECTION 3.02 ***Authorization***. The entering into the Loan Documents to which the Loan Parties are parties thereto (a) have been duly authorized by all requisite corporate or other entity and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) any provision of the certificate or articles of incorporation or other Organizational Documents or bylaws of Holdings, the Borrower or any Subsidiary, (C) any order of any Governmental Authority, except as would not reasonably be expected to have a Material Adverse Effect, or (D) any provision of any Contractual Obligation to which Holdings, the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse

Effect, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any Contractual Obligation relating to Material Indebtedness to which Holdings, the Borrower or any Subsidiary is a borrower or guarantor party thereunder or by which any of them or any of their property is or may be bound as a borrower or guarantor thereunder, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Holdings, the Borrower or any Subsidiary (other than any Lien created hereunder or under the Security Documents).

SECTION 3.03 ***Enforceability***. This Agreement has been duly executed and delivered by Holdings and the Borrower and constitutes, and each other Loan Document when executed and delivered by each Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04 ***Governmental Approvals; Third Party Approvals***. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority or any other Person is or will be required in connection with entering into the Loan Documents to which the Loan Parties are parties thereto, except for (a) the filing of UCC financing statements and filings with the United States Patent and Trademark Office and the United States Copyright Office, (b) recordation of the Mortgages, (c) such as have been made or obtained and are in full force and effect, and (d) those the failure of which to obtain or make could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.05 ***Financial Statements***.

(a) The Borrower has heretofore furnished to the Administrative Agent (i) audited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2012, audited by and accompanied by the opinion of Moss Adams LLP, independent public accountants, (ii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal quarter after December 31, 2012 and ended 46 days before the Closing Date and (iii) unaudited consolidated or combined, as applicable, balance sheets and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for each fiscal month after December 31, 2012 and ended 31 days before the Closing Date and, in each case, certified by a Financial Officer of the Borrower. Such financial statements present fairly, in all material respects, the financial condition and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the dates thereof required to be disclosed pursuant to GAAP. Such financial statements were prepared in accordance with GAAP (except (A) in the case of unaudited financial statements, for the lack of footnotes and being subject to year–end or quarter-end audit adjustments, as applicable, and (B) in respect of any monthly financial statements).

(b) The consolidated forecasted balance sheet and related statements of income and cash flows of the Borrower and its Subsidiaries have been delivered to the Administrative Agent on or prior to the Closing Date and (a) have been prepared on good faith estimates and assumptions believed by the Loan Parties to be reasonable as of the date of such projections and as of the Closing Date, and (b) present fairly, in all material respects, the consolidated financial position and results of operations of the Borrower and its Subsidiaries described therein as of such date and for such periods set forth therein, on a pro forma basis assuming that the Transactions contemplated hereby had occurred at such dates (it being

understood and agreed that (x) any financial or business projections or forecasts furnished are subject to significant uncertainties and contingencies, which may be beyond the control of any Loan Party, (y) no assurance is given by any Loan Party that the results or forecast in any such projections will be realized and (z) the actual results may differ from the forecast results set forth in such projections and such differences may be material).

SECTION 3.06 ***Title to Properties; Possession Under Leases***.

(a) Each of the Loan Parties and their respective Subsidiaries has good and marketable title to, or valid leasehold interests in, substantially all its properties and assets, except for minor defects in title that do not interfere in any material respects with its ability to conduct its business as currently conducted or except as would not reasonably be expected to have a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each of the Loan Parties and their respective Subsidiaries has complied with its obligations under all leases (with respect to properties that are material to the business of the Loan Parties and their respective Subsidiaries taken as a whole) to which it is a party and all such leases are in full force and effect, in each case, except where the failure to comply or to be in full force or effect would not reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties and their respective Subsidiaries enjoys peaceful and undisturbed possession under all such leases, except for Liens permitted by Section 6.02.

SECTION 3.07 ***Subsidiaries; Ownership Interests***.

(a) Schedule 3.07(a) sets forth as of the ~~Second~~Third Amendment Effective Date a list of all Subsidiaries of Holdings and the percentage ownership interest of Holdings, the Borrower and its Subsidiaries in such Subsidiaries of Holdings. As of the ~~Second~~Third Amendment Effective Date, the shares of capital stock or other ownership interests so indicated on Schedule 3.07(a) are fully paid and non-assessable and are owned by Holdings, the Borrower or such Subsidiary, directly or indirectly, free and clear of all Liens (other than Liens created under the Security Documents and non-consensual Liens permitted by Section 6.02(iv)). All outstanding Equity Interests of each of Borrower and its Subsidiaries, as of the ~~Second~~Third Amendment Effective Date, are duly and validly issued. All of the issued and outstanding Equity Interests of the Borrower are legally and beneficially owned and Controlled directly by Holdings.

(b) Except as set forth in Schedule 3.07(c), the Borrower does not have and is not bound by any outstanding subscriptions, options, warrants, calls, commitments or agreement of any character calling for the purchase or issuance of any Equity Interests of the Borrower or any securities representing the right to purchase or otherwise receive any Equity Interests of the Borrower.

(c) The capitalization table attached as Exhibit F to this Agreement accurately reflects the ownership interests of SLS Breeze Holdings, Inc. (on a fully diluted basis) both immediately prior to and immediately following the Closing Date.

(d) In connection with the Acquisition, Holdings has received the cash equity contribution (inclusive of rollover equity) in an aggregate amount of not less than $190,000,000, directly or indirectly, from the Permitted Holders and the other co-investors in SLS Breeze Holdings, Inc.

SECTION 3.08 ***Litigation; Compliance with Laws***.

(a) Except as set forth on Schedule 3.08, there are no actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Holdings or the Borrower, threatened in writing (including by email or other electronic means) against or affecting any of the Loan Parties or their respective Subsidiaries or any business, property or rights of any such Person that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) As of the ~~Second~~Third Amendment Effective Date, none of the Loan Parties or their respective Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any zoning, building, Environmental Law, ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.09 ***Agreements***. None of the Loan Parties or their respective Subsidiaries is in any material respect in default under or in violation of the performance of any of its obligations under any of its Organizational Documents.

SECTION 3.10 ***Federal Reserve Regulations***.

(a) None of the Loan Parties or their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, Regulation U or Regulation X.

SECTION 3.11 ***Government Regulation***. None of the Loan Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940. None of the Loan Parties is subject to regulation under the Federal Power Act, the Interstate Commerce Act, the ICC Termination Act, as amended, or under any other federal or state statute or regulation that may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

SECTION 3.12 ***Use of Proceeds***. The Borrower will use the proceeds of the Loans only for the purposes specified in Section 5.08.

SECTION 3.13 ***Tax Returns***. Each of the Loan Parties and their respective Subsidiaries has filed or caused to be filed all federal and material state, local and foreign Tax Returns required to have been filed by it and has paid or caused to be paid all Taxes due and payable by it, except Taxes that are being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP. As of the ~~Second~~Third Amendment Effective Date, except as would not reasonably be expected to have a Material Adverse Effect, no written claim has been asserted, with respect to any Taxes (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and for which the applicable Loan Party or Subsidiary shall have set aside on its books

adequate reserves with respect thereto in accordance with GAAP). From the date of the Borrower's formation until the date of termination of the Borrower's "S Corporation" status resulting from the Acquisition (the "Termination Date"), Borrower has qualified as an "S Corporation" within the meaning of Section 1361 of the Code and, unless otherwise required by applicable law, under all state and local jurisdictions in which it is subject to income Tax (or franchise Tax in the nature of an income Tax). Each Subsidiary (if any) of the Borrower, from the date of its formation until the Termination Date, has either qualified as a "qualified subchapter S subsidiary" within the meaning of 1361(a)(3) of the Code or a "disregarded entity" within the meaning of Treasury Regulation Section 301.7701-2. Unless otherwise required by applicable law, the tax classification of the Borrower and each Subsidiary (if any) of the Borrower under all state and local jurisdictions have been at all times the same as their federal classification.

SECTION 3.14 ***No Material Misstatements***. The information that the Loan Parties have provided, directly or indirectly, in writing, taken as a whole, to the Administrative Agent is not materially misleading and does not contain any material misstatement of fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were, not materially misleading as of the date such information is dated or certified.

SECTION 3.15 ***Employee Benefit Plans***.

(a) Except as would not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan of the Borrower and its ERISA Affiliates is in compliance with its terms and the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, none of the Borrower or any ERISA Affiliate contributes to, participates in or in any way, directly or indirectly, has any liability with respect to any plan subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA, including, without limitation, any "multiemployer plan" (within the meaning of Sections 3(37) or 4001(a)(3) of ERISA or Section 414(f) of the Code) or any "single-employer plan" (within the meaning of Section 4001(a)(15) of ERISA) which is subject to Sections 4063, 4064 or 4069 of ERISA. There are no pending or threatened in writing (including by email or other electronic means) claims, sanctions, actions or lawsuits, asserted or instituted against any Employee Benefit Plan or any Person as fiduciary or sponsor of any such Employee Benefit Plan which could reasonably be expected to result in a Material Adverse Effect. Except as would not result in a Material Adverse Effect, none of the Borrower or any ERISA Affiliate has or could have any liability, whether for contributions, funding, benefits or otherwise, with respect to any Foreign Plan.

SECTION 3.16 ***Environmental Matters***. None of the Loan Parties or their respective Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, except to the extent such failure could not reasonably be expected to result in a Material Adverse Effect, (ii) has become subject to any Environmental Liability that could reasonably be expected to result in a Material Adverse Effect, (iii) as of the ~~Second~~Third Amendment Effective Date, has received notice of any written claim with respect to any Environmental Liability or (iv) as of the ~~Second~~Third Amendment Effective Date, knows of any basis for any Environmental Liability, that could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.17 ***Insurance***. Schedule 3.17 sets forth a true, complete and correct description of all material insurance maintained by the Loan Parties and their respective Subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid. The Loan Parties and their respective Subsidiaries have insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations.

SECTION 3.18 ***Security Documents***.

(a) The Guarantee and Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Guarantee and Collateral Agreement) and the proceeds thereof except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and except with respect to any additional actions and documents that need to be entered into that are required under foreign law (with respect to any Equity Interests of a Foreign Subsidiary or assets or property located in a foreign jurisdiction) to create a legal, valid and enforceable security interest and (i) when the original Pledged Collateral (as defined in the Guarantee and Collateral Agreement), along with any necessary transfer documents or instruments, is delivered to the Collateral Agent, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral, in each case prior and superior in right to any other Person (in each case, other than (y) Liens on cash collateral permitted pursuant to Section 6.02(xiv) and (z) non-consensual Liens permitted under Section 6.02(iv)), and (ii) (A) for Collateral with respect to which a security interest may be perfected only by possession or control, upon the taking of possession or control by the Collateral Agent of such Collateral, (B) when financing statements in appropriate form are filed in the offices specified on Schedule 3.18(a), (C) the actions described in clause (i) above with respect to Pledged Collateral and (D) upon taking (1) any other perfection action as may be required under the UCC or any other applicable law and (2) any other action (including creation action) as may be required under foreign law, the Lien on the Collateral created under the Guarantee and Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (other than federally registered copyrights) in which a security interest may be perfected pursuant to Article 9 of the UCC, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02.

(b) Upon the recordation of the fully-executed Guarantee and Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Collateral Agent) with the United States Copyright Office, the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the federally registered Copyrights (as defined in the Guarantee and Collateral Agreement) in which a security interest may be perfected by filing in the United States, in each case prior and superior in right to any other Person, other than with respect to Liens permitted by Section 6.02 (it being understood that subsequent recordings in the United States Copyright Office may be necessary to perfect a Lien on registered copyrights acquired by the Loan Parties after the date hereof).

SECTION 3.19 ***Location of Real Property and Leased Premises***.

(a) Schedule 3.19(a) lists completely and correctly as of the ~~Second~~Third Amendment Effective Date all real property owned by each Loan Party and their respective Subsidiaries and the addresses thereof. As of the ~~Second~~Third Amendment Effective Date, the Loan Parties and their Subsidiaries own in fee all the real property set forth on Schedule 3.19(a).

(b) Schedule 3.19(b) lists completely and correctly as of the ~~Second~~Third Amendment Effective Date all real property leased by each Loan Party and their respective Subsidiaries and the

addresses thereof. As of the ~~Second~~Third Amendment Effective Date, the Borrower and the Subsidiaries have a valid leasehold interest in all the real property set forth on Schedule 3.19(b) that is material to the ordinary conduct of its business, except where failure to have such a valid leasehold interest could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.20 ***Labor Matters***. As of the ~~Second~~Third Amendment Effective Date, except as would not reasonably be expected to have a Material Adverse Effect, there are no strikes, lockouts or slowdowns against any of the Loan Parties pending or, to the knowledge of Holdings or the Borrower, threatened (in writing (including by email or other electronic means)). The hours worked by and payments made to employees of the Loan Parties or their Subsidiaries have not been in material violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from any of the Loan Parties or their Subsidiaries, or for which any claim has been made against any of the Loan Parties or their Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Parties or their Subsidiaries. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any of the Loan Parties or their Subsidiaries is bound.

SECTION 3.21 ***Solvency***. Immediately following the making of any Loans and immediately after giving effect to the application of any proceeds thereof, (a) the fair value of the assets (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a consolidated basis, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property (measured on a going concern basis) of the Loan Parties and their respective Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) the Loan Parties and their respective Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Loan Parties and their respective Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the making of such Loan. Such foregoing determination has been made by the chief executive officer, chief financial officer or other Financial Officer, if any, of the Borrower and is based on such officer's actual knowledge and such officer has not conveyed any information to the contrary to any other Person at any time on the date that this representation and warranty is being made or deemed made.

SECTION 3.22 ***No Material Adverse Effect***. Since December 31, 2012, there has been no development or event, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.23 ***Sanctioned Persons***. None of the Loan Parties or their respective Subsidiaries nor, to the knowledge of Holdings or the Borrower, any director, officer, agent, employee or Affiliate of any of the Loan Parties or any of their respective Subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("***OFAC***"); the Borrower will not directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

SECTION 3.24 ***Financial Advisors***. Except as set forth in Schedule 3.24, no agent, broker, investment banker, finder, financial advisor or other Person is or will be entitled to any broker's or finder's fee or any other commission or similar fee from any Loan Party or any of the Loan Parties' Subsidiaries with respect to this Agreement or any of the other Loan Documents or any of the

Transactions occurring on the Closing Date, and the Borrower hereby indemnifies (subject to the same carve-outs that are in Section 9.05) the Lenders and the Administrative Agent against, and agrees that it will hold the Lenders and the Administrative Agent harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including reasonable and documented out-of-pocket fees, expenses and disbursements of counsel) arising in connection with any such claim, demand or liability, in each case, in accordance with Section 9.05.

SECTION 3.25 ***Foreign Assets Control Regulations, Etc***.

(a) Neither the borrowing of the Loans by the Borrower hereunder nor its use of the proceeds thereof will violate (i) the United States Trading with the Enemy Act, as amended, (ii) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (iii) Executive Order No. 13,224, 66 Fed Reg 49,079 (2001), issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) (the "***Terrorism Order***") or (iv) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001). No part of the proceeds from the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(b) No Loan Party and no Subsidiary of a Loan Party (i) is or will become a "blocked person" as described in Section 1.01 of the Terrorism Order or (ii) to its actual knowledge engages or will engage in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each of the Loan Parties and its Affiliates are in compliance, in all material respects, with the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Public Law 107-56 (October 26, 2001).

SECTION 3.26 ***Deposit Accounts; Securities Accounts***. Set forth on Schedule 3.26 is a listing of all of the Loan Parties' Deposit Accounts and Securities Accounts, in each case, as of the ~~Second~~Third Amendment Effective Date including, with respect to each bank or securities intermediary, (a) the name and address of such Person, (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person, and (c) the relevant Loan Party or Loan Parties.

SECTION 3.27 ***Indebtedness***. No Loan Party or Subsidiary of any Loan Party has any liability for any Indebtedness other than the Indebtedness permitted under Section 6.01.

SECTION 3.28 ***Intellectual Property; Copyright Matters***.

(a) Except as set forth on Schedule 3.28(a) or as of the most recent date disclosures by the Borrower are required to be delivered pursuant to Section 5.04(d), no Loan Party and no Subsidiary of any Loan Party owns any registered patents, patent applications, registered trademarks, trademark applications, registered trade names, registered service marks, service mark applications, registered copyrights or copyright applications. As of the most recent date disclosures by the Borrower are required to be delivered pursuant to Section 5.04(d), each Loan Party and each of the Loan Parties' respective Subsidiaries owns directly, or is entitled to use by license (listed on Schedule 3.28(a)) or otherwise, all Intellectual Property material to the conduct of such Loan Party's businesses. All items listed on

Schedule 3.28(a) and as of the most recent date disclosures by the Borrower are required to be delivered pursuant to Section 5.04(d) are and, at all times thereafter that this representation is made (except to the extent no longer deemed material to the conduct of the business of the Loan Parties and the Loan Parties' Subsidiaries in the good faith business judgment of the Loan Parties), will be: (a) subsisting and have not been adjudged invalid or unenforceable, in whole or part; (b) to the extent that can be reasonably anticipated, valid, in full force and effect and not in known conflict with the rights of any Person, in each case and (c) free and clear of all Liens, security interests, or other encumbrances other than Liens permitted by Section 6.02. Each Loan Party and each of the Loan Parties' Subsidiaries has made all filings and recordings such Loan Party or Subsidiary deems necessary in the exercise of reasonable and prudent business judgment to protect its interest in the Intellectual Property of such Loan Party or Subsidiary material to the conduct of such Loan Party's businesses in the United States Patent and Trademark Office, and the United States Copyright Office, as appropriate. Except for not making filings or recordings in its exercise of such judgment, each Loan Party and each of the Loan Parties' Subsidiaries has performed all material acts and has paid all material required fees and taxes to maintain each and every item of the Intellectual Property of such Loan Party or Subsidiary in full force and effect, except such items of Intellectual Property as are no longer deemed material to the conduct of the businesses of the Loan Parties and the Loan Parties' Subsidiaries in the reasonable business judgment of the Loan Parties. As of the ~~Second~~Third Amendment Effective Date, there are no pending or, to the knowledge of the Loan Parties, threatened in writing (including by email or other electronic means) applications, proceedings or litigation, which, if successful, could reasonably be expected to materially and adversely affect any Intellectual Property of any Loan Party or any of its Subsidiaries material to the conduct of such Loan Party's or such Subsidiaries' businesses, and, to the knowledge of the Loan Parties, no Person is infringing, misusing, violating or breaching such Intellectual Property in any material respect. As of the ~~Second~~Third Amendment Effective Date, neither any Loan Party nor any of its Subsidiaries has received written notice of any claim of infringement, misuse, violation or breach by such Loan Party or any of its Subsidiaries of any Intellectual Property owned or controlled by another Person which infringement, misuse, violation or breach could reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect. As of the ~~Second~~Third Amendment Effective Date, to the actual knowledge of Holdings and the Borrower, no Loan Party and no Subsidiary of any Loan Party is in breach of or default under the provisions of any of the foregoing, nor is there any event, fact, condition or circumstance which, with notice or passage of time or both, would constitute, or result in a conflict, breach, default or event of default under, any of the foregoing that reasonably could be expected to result in, either individually or in the aggregate, a Material Adverse Effect.

SECTION 3.29 ***Activities of Holdings***. Holdings is not engaged in any activities other than those activities permitted by Section 6.13.

ARTICLE IV

Conditions of Lending

SECTION 4.01 ***Conditions Precedent to Closing***.

The obligations of the Lenders to make the Initial Term Loans hereunder on the Closing Date are subject to the satisfaction or waiver of the following conditions on the Closing Date:

(a) ***Loan Party Documents***. The Administrative Agent shall have received the following from or with respect to each Loan Party:

(i) A copy of the certificate or articles of incorporation or organization, including all amendments thereto, certified as of a recent date by either the Secretary of State of the state of its

organization or such Governmental Authority, and, to the extent readily available with respect to franchise Taxes, a certificate certifying that such Loan Party has paid all franchise Taxes due and payable on or prior to the date of such certificate and such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(ii) A certificate of the Secretary, Assistant Secretary or other Responsible Officer of each Loan Party dated the Closing Date and certifying (A) that attached thereto are true and complete copies of the Organizational Documents of such Loan Party as in effect on the Closing Date and at all times since a date on or prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Governing Body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents and, in the case of the Borrower, the borrowing of the Initial Term Loans hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the charter or articles or certificate of incorporation or organization of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Documents or any other document delivered in connection herewith on behalf of such Loan Party;

(iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to clause (ii) above;

(iv) executed originals (or photocopies with originals to follow after the Closing Date) of the Loan Documents to which such Person is a party;

(v) [reserved];

(vi) executed copies of the Acquisition Agreement and any exhibits, schedules and documents related thereto; and

(vii) executed copies of all Related Documents as in effect on the Closing Date, in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) ***Fees***. The Administrative Agent and the Lenders shall have received all Fees and other amounts due and payable on or prior to the Closing Date that are required to be paid under the Loan Documents, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out of pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(c) ***Intentionally Omitted***.

(d) ***Representations and Warranties; Performance of Agreements***. (i) The representations and warranties in Article III shall be true and correct in all material respects on and as of the Closing Date to the same extent as though made on and as of that date (or, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects on and as of such earlier date), (ii) the Borrower shall have performed in all material respects all agreements and satisfied all conditions which this Agreement provides shall be performed or satisfied by it on or before the Closing Date except as otherwise disclosed to and agreed to in writing by the Administrative Agent, and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate, in form and substance reasonably satisfactory to the Administrative Agent, certifying as to the accuracy of each of clause (i) and clause (ii); *provided* that, if a representation and warranty, covenant or condition is qualified as to materiality, the applicable materiality qualifier set forth above shall be disregarded with respect to such representation and warranty, covenant or condition for purposes of this condition.

(e) ***Financial Statements***. The Administrative Agent shall have received the financial statements and audit opinion referred to in Section 3.05(a).

(f) ***Intentionally Omitted***.

(g) ***Solvency Certificate***. The Administrative Agent shall have received a solvency certificate from a Financial Officer of Holdings or the Borrower, substantially in the form of Exhibit G hereto.

(h) ***Opinions of Counsel to the Loan Parties***. The Administrative Agent shall have received, on behalf of itself, the Collateral Agent and the Lenders, a favorable written opinion of Kirkland & Ellis LLP, counsel for the Loan Parties (A) dated the Closing Date, (B) addressed to the Administrative Agent, the Collateral Agent and the Lenders, and (C) covering such other matters relating to the Loan Documents as the Administrative Agent shall reasonably request and that are customary to cover in transactions of this type, and the Borrower hereby requests such counsel to deliver such opinions.

(i) ***Evidence of Insurance***. The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.02.

(j) ***Necessary Governmental Authorizations and Consents; Expiration of Waiting Periods, etc***. All requisite Governmental Authorities and other material third parties shall have approved or consented to the Transactions to the extent required, all applicable appeal periods shall have expired and there shall not be any pending or threatened litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

(k) ***Intentionally Omitted***.

(l) ***Security Interests***.

(i) The Guarantee and Collateral Agreement shall have been duly executed by each Loan Party that is to be a party thereto and shall be in full force and effect on the Closing Date. The Collateral Agent on behalf of the Secured Parties shall have been granted a security interest in the Collateral of the type and priority described herein and in the Guarantee and Collateral Agreement to the extent required thereby.

(ii) The Collateral Agent shall have received a Perfection Certificate with respect to the Loan Parties dated the Closing Date and duly executed by a Responsible Officer of the Borrower, and shall have received the results of a search of the UCC filings (or equivalent filings) made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such Persons as reasonably required by the Collateral Agent, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence reasonably satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been or will be contemporaneously released or terminated on the Closing Date. Such search results shall include copyright, patent and trademark searches, and copyright, patent and trademark filings or recordations, necessary in the Collateral Agent's reasonable determination to perfect the Collateral Agent's security interest in the Collateral as of the Closing Date to the extent such perfection can be obtained by (a) the filing of a financing statement (or similar document), (b) any copyright filing or recordation with the United States Copyright Office and (c) or any patent or trademark filing or recordation with the United States Patent and Trademark Office.

(iii) The Collateral Agent shall have received all certificates, agreements or instruments representing or evidencing the Pledged Collateral (as defined in the Guarantee and Collateral Agreement), accompanied by instruments of transfer and stock powers undated and endorsed in blank, in each case, that are required pursuant to the Guarantee and Collateral Agreement to have been delivered to the Collateral Agent on the Closing Date.

(m) ***Existing Debt***. The Borrower shall have (i) consummated the Existing Debt Refinancing; (ii) delivered to the Administrative Agent a "pay-off" letter in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent with respect to all Indebtedness being refinanced in the Existing Debt Refinancing, (iii) delivered to the Administrative Agent all documents or instruments necessary to release all Liens securing the Indebtedness being repaid in connection with the Existing Debt Refinancing, and (iv) made arrangements reasonably satisfactory to the Administrative Agent and Collateral Agent with respect to the cancellation or cash collateralization or backstopping of any letters of credit outstanding in connection with the Existing Debt Refinancing or the issuance of letters of credit to support the obligations of Holdings and its Subsidiaries with respect thereto.

(n) The Administrative Agent shall have received a customary closing certificate, dated the Closing Date and signed by a Financial Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent.

(o) ***Other Legal Matters***.

(i) All corporate and other proceedings in connection with the Transactions contemplated by this Agreement and the other Loan Documents and all other agreements, documents and instruments incident to such Transactions shall be reasonably satisfactory to the Administrative Agent, and the Administrative Agent shall have received all such certified or other copies of such documents as the Administrative Agent may reasonably request.

(ii) The Administrative Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act to the extent such documentation and other information has been requested in writing at least five (5) Business Days before the Closing Date.

(iii) All legal matters incident to this Agreement, the Initial Term Loans hereunder and the other Loan Documents shall be reasonably satisfactory to the Administrative Agent.

(p) ***Funds Flow Memorandum***. The Administrative Agent and the Borrower shall have agreed upon a funds flow memorandum duly executed by a Responsible Officer of the Borrower.

(q) ***Material Adverse Effect***. Since December 31, 2012, there shall have occurred no Material Adverse Effect.

(r) ***Due Diligence.*** The Administrative Agent shall have completed a due diligence investigation of the Loan Parties in scope, and with results, reasonably satisfactory to the Administrative Agent, including without limitation, as to general affairs, environmental concerns, intellectual property, management, corporate structure, capital structure, other debt instruments, material contracts, governing documents, prospects, financial position, stockholders' equity and results of operations, and the tax,

accounting, legal, regulatory, environmental and other issues relevant to the Loan Parties, and shall have been given access during normal business hours and with reasonable advance written notice to the external independent auditors, management, records, books of account, contracts and properties of the Loan Parties and shall have received such financial, business and other information regarding the Loan Parties as it shall have requested.

(s) ***No Injunction***. No injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the Transactions or the making of the Initial Term Loans hereunder.

(t) ***Notice of Borrowing***. Prior to the making of the Initial Term Loans, the Administrative Agent shall have received a notice of borrowing.

(u) ***Ownership of Intellectual Property***. Except as otherwise mutually and reasonably agreed by the Administrative Agent and the Borrower, substantially all of the Intellectual Property that is material to the business of the Borrower shall be owned by the Loan Parties and their Subsidiaries.

In determining the satisfaction of the conditions specified in this Section 4.01, (y) to the extent any item is required to be satisfactory to any Lender, such item shall be deemed satisfactory to each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date that the respective item or matter does not meet its satisfaction and (z) in determining whether any Lender is aware of any fact, condition or event that has occurred and which would reasonably be expected to have a Material Adverse Effect, each Lender which has not notified the Administrative Agent in writing prior to the occurrence of the Closing Date of such fact, condition or event shall be deemed not to be aware of any such fact, condition or event on the Closing Date. Upon the Administrative Agent's good faith determination that the conditions specified in this Section 4.01 have been met (after giving effect to the preceding sentence), then the Closing Date shall have been deemed to have occurred, regardless of any subsequent determination that one or more of the conditions thereto had not been met. The conditions shall be deemed to have been satisfied on the date the Lenders provide the Initial Term Loans. For the avoidance of doubt, the conditions specified in this Section 4.01 were met on September 25, 2013.

SECTION 4.02 ***Conditions Precedent to Revolving Loans***. The obligation of each applicable Lender to make Revolving Loans, is subject, at the time of each such borrowing, to the satisfaction or waiver of the following conditions:

(a) ***No Default; Representations and Warranties***. At the time of each borrowing hereunder and also after giving effect thereto (i) no Event of Default shall exist and be continuing and (ii) all representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the date of such borrowing (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition.

(b) ***No Injunction.*** No injunction or other restraining order shall have been issued and no hearing by any Person (other than any Secured Party or any Affiliate of a Secured Party) to cause an injunction or other restraining order to be issued shall be pending with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the making of Revolving Loans hereunder.

(c) ***Notice of Borrowing***. Prior to the making of such Revolving Loans, the Administrative Agent shall have received a Notice of Revolver Borrowing meeting the requirements of Section 2.02(d).

ARTICLE V

Affirmative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), each of Holdings and the Borrower will, and will cause each of the Subsidiaries to:

SECTION 5.01 ***Existence; Compliance with Laws; Businesses and Properties***.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise permitted under Section 6.05.

(b) Do or cause to be done all things necessary to obtain, protect, preserve, renew, extend and keep in full force and effect its rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names, except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect; comply with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted, except as could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of the business of Holdings and its Subsidiaries and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times, except as could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.02 ***Insurance***.

(a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies that are of the same or similar size and in the same or similar businesses operating in the same or similar locations; and maintain such other insurance as may be required by law.

(b) Cause all such policies (if any) covering any Collateral (but, for the avoidance of doubt, excluding any public property damage policy) to be endorsed or otherwise amended to include a customary lender's loss payable endorsement, in form and substance reasonably satisfactory to the Collateral Agent, which endorsement shall provide that, from and after the Closing Date, if the insurance carrier shall have received written notice from the Collateral Agent of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to the Borrower or the Loan Parties under such policies directly to the Collateral Agent; cause all such policies to provide that the Borrower shall be a coinsurer thereunder; upon written request by the Collateral Agent, deliver original or certified copies of all such policies to the Collateral Agent; cause each such policy to provide that it shall not be canceled or not renewed (i) by reason of nonpayment of premium upon not less than 10 days' prior

written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason upon not less than 30 days' prior written notice thereof by the insurer to the Collateral Agent; upon the written request of the Collateral Agent, deliver to the Collateral Agent, prior to the cancellation or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor.

(c) If at any time the area in which the Premises (as defined in the Mortgages or such other similar term) are located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time reasonably require.

SECTION 5.03 ***Obligations and Taxes***. Pay its Material Indebtedness in accordance with its terms and pay and discharge promptly when due all material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof; *provided*, *however*, that such payment and discharge shall not be required with respect to any such Tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP.

SECTION 5.04 ***Financial Statements, Reports, etc***. In the case of Holdings and Borrower, furnish to the Administrative Agent and each Lender:

(a) within 120 days after the end of each fiscal year of the Borrower (or, for the first fiscal year ending December 31, 2014, no later than October 31, 2015) after the end of each fiscal year of the Borrower, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of Holdings and such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal year occurring in 2013 or earlier, such comparative figures do not need to include Holdings), all audited by Moss Adams LLP or other independent public accountants of recognized national standing reasonably acceptable to the Administrative Agent (it being understood and agreed that the "Big Four" accounting firms are acceptable to the Administrative Agent) and accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit, except as related solely to the maturity of any of the Loans (or any loans from a Permitted Refinancing of any of the Loans) during the immediately succeeding twelve-month period) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or for the fiscal quarters ending March 31, 2015 and June 30, 2015, no later than October 31, 2015) after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ending September 30, 2013), its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings, the Borrower and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of Holdings and such Subsidiaries during such fiscal quarter and the then-elapsed portion of the fiscal year of the Borrower, together with the comparative figures for the same periods in the immediately preceding fiscal year of the Borrower (but for comparative figures for any immediately preceding fiscal quarter occurring in the fiscal quarter ending September 30, 2013 or earlier, such comparative figures do not need to include Holdings), all certified by one of the Financial Officers of Holdings or the Borrower, as the case may be, as fairly presenting the financial condition and results of operations of Holdings, the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP or such other accounting principles as consented to by the Administrative Agent, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a certificate of the Financial Officer of the Borrower (a "***Compliance Certificate***") (i) certifying that no Event of Default has occurred or, if such an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail, together with supporting calculations, demonstrating compliance (or noncompliance) with the covenant contained in Section 6.10;

(d) (i) concurrently with any delivery of financial statements under paragraph (a) or (b) above, (A) a list of any Intellectual Property registered with the United States Patent and Trademark Office or the United States Copyright Office acquired since the last such list delivered pursuant to this Section 5.04(d) (or since the Closing Date, in the case of the first such list delivered after the Closing Date); and (B) an updated Schedule 3.28(a) (if necessary); and (ii) concurrently with any delivery of financial statements under paragraph (a) above, a list of any Intellectual Property registered in countries other than the United States;

(e) within 30 days after the beginning of each fiscal year of the Borrower, a detailed consolidated budget for such fiscal year presented on a quarter by quarter basis;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with any Governmental Authority or securities exchange, or distributed to its shareholders generally in their capacity as shareholders, as the case may be;

(g) promptly after the receipt thereof by Holdings, the Borrower or any of their Subsidiaries, a copy of any final "management letter" received by any such Person from its certified public accountants and the management's response thereto;

(h) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act; and

(i) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Holdings, the Borrower or any Subsidiary (including for purposes of obtaining and maintaining credit ratings in respect of the Borrower), or compliance with the terms of any Loan Document, in each case, as the Administrative Agent may reasonably request in writing.

SECTION 5.05 ***Litigation and Other Notices***.

Furnish to the Administrative Agent prompt written notice of the following upon any Loan Party's knowledge thereof:

(a) the occurrence of any Default or Event of Default, specifying the nature and extent thereof, the date of occurrence thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written (including by email or other electronic means) threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Holdings, the Borrower and its Subsidiaries in an aggregate amount exceeding $1,000,000;

(d) any development or event that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(e) any default or event of default (in each case, after taking into account applicable cure or grace periods) under any Contractual Obligation (other than the Loan Documents) of Holdings, the Borrower or any of their respective Subsidiaries that would reasonably be expected to have a Material Adverse Effect;

(f) any notices of default received by any Loan Party from, or notices of default furnished to, any holder which is not an Affiliate of Holdings of Material Indebtedness and not otherwise required to be furnished to the Administrative Agent or the Lenders pursuant to any other clause of this Section 5.05 (together with copies thereof); and

(g) any damage or destruction to Collateral that is reasonably and in good faith determined by Borrower to be in an amount in excess of $1,000,000.

SECTION 5.06 ***Information Regarding Collateral***. Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name (as defined in Section 9-503(a) of the UCC), (ii) in the jurisdiction of organization or formation of any Loan Party, (iii) in any Loan Party's corporate structure or chief executive office location or (iv) in any Loan Party's Federal Taxpayer Identification Number (if any). Unless otherwise approved by the Administrative Agent in writing (which approval shall not be unreasonably withheld, delayed or conditioned), Holdings and the Borrower agree not to, and shall cause the other Loan Parties not to, effect or permit any change referred to in the preceding sentence unless any documents are delivered (or are substantially concurrently with the action effecting such change delivered) to the Collateral Agent that are required to be filed under the UCC so that the Collateral Agent, after the filing of such documents by the Collateral Agent, will continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral, with the priority required hereunder and under the Security Documents.

SECTION 5.07 ***Maintaining Records; Access to Properties and Inspections***. Keep proper books of record that are true and correct in all material respects and maintain a system of accounting that enables Holdings and the Borrower to produce financial statements in accordance with GAAP or such other accounting principles as may be consented to by the Administrative Agent. Holdings and the

Borrower shall, and shall cause each of the Subsidiaries to, permit any representatives designated by the Administrative Agent to visit and inspect the financial records (other than any fee letter related to any loans or Indebtedness that are not the Loans hereunder) and the properties of such Person at reasonable times up to one time during any twelve consecutive month period (but without such frequency limit during the continuance of an Event of Default) following reasonable prior written notice and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent to discuss the affairs, finances and financial condition of such Person with the officers thereof and independent accountants therefor; *provided* that (a) the Administrative Agent shall give the Borrower and the Sponsor an opportunity for its representatives to participate in any such discussions and (b) so long as no Event of Default has occurred and is then continuing, the Borrower and the other Loan Parties shall not bear the cost of more than one such visit or inspection (combined) per any twelve consecutive month period by the Administrative Agent and Lenders (and their respective representatives and other Related Parties).

SECTION 5.08 ***Use of Proceeds***. Use the proceeds of the Loans (other than the 2016 Acquisition Term Loans) solely (i) to fund the Existing Debt Refinancing, (ii) to pay fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection with ~~the~~such Loans, the Existing Debt Refinancing and the other Transactions, and (iii) for working capital and other general corporate purposes of Holdings and its Subsidiaries, and to make capital expenditures, acquisitions, Investments, distributions and Restricted Payments permitted by this Agreement from time to time. Use the proceeds of the 2016 Acquisition Term Loans solely (i) to fund the Runbook Acquisition and (ii) to pay fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection with the Runbook Acquisition and the 2016 Acquisition Term Loans.

SECTION 5.09 ***Employee Benefits***.

(a) Cause each Employee Benefit Plan to comply in all respects with its terms and the applicable provisions of ERISA and the Code, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect, and furnish to the Administrative Agent as soon as possible after, and in any event within 10 days after any Responsible Officer of Holdings, the Borrower or any Subsidiary knows that any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of Holdings, the Borrower or any Subsidiary in an aggregate amount exceeding $1,000,000, a statement of a Financial Officer of Holdings or the Borrower setting forth details as to such ERISA Event and the action, if any, that Holdings or the Borrower proposes to take with respect thereto.

(b) Upon reasonable request by the Administrative Agent, furnish copies of (i) annual report (Form 5500 Series) filed by any Loan Party or any Subsidiary thereof or any of its ERISA Affiliates with respect to each Employee Benefit Plan; (ii) the most recent actuarial valuation report for each Plan, to the extent such exists; (iii) all notices received by any Loan Party or any of its ERISA Affiliates from a Multiemployer Plan sponsor or any governmental agency concerning an ERISA Event; and (iv) such other information, documents or governmental reports or filings relating to any Employee Benefit Plan as the Administrative Agent shall reasonably request in writing.

SECTION 5.10 ***Compliance with Environmental Laws***. Comply with all Environmental Laws applicable to its operations and properties and obtain and renew all material environmental permits necessary for its operations and properties, except to the extent that such failure to comply could not reasonably be expected to result in a Material Adverse Effect; and conduct any remedial action required by Environmental Laws; *provided, however*, that none of Holdings, the Borrower or any Subsidiary shall be required to undertake any remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.11 ***Preparation of Environmental Reports***. If an Event of Default caused by reason of a breach of Section 3.16 or Section 5.10 shall have occurred and be continuing for more than 20 days without Holdings, the Borrower or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, provide to the Lenders within 45 days after such request, at the reasonable expense of the Loan Parties, an environmental site assessment report regarding the matters that are the subject of such Event of Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and the Borrower and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or remedial action in connection with such Event of Default.

SECTION 5.12 ***Further Assurances***.

(a) Execute any and all further documents, agreements and instruments, and take all further action (including delivering UCC and other financing statements with respect to the Collateral to the Collateral Agent for filing to the extent required under applicable law or any Security Documents that may be required hereunder), or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request in writing, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant and perfect the validity and first priority (subject to Liens permitted by Section 6.02) of the security interests created by the Security Documents to the extent required hereby or by the Security Documents. In addition, from time to time, the Borrower will, at its reasonable cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected security interests with respect to such of its assets and properties and the assets and property of its Subsidiaries that are Loan Parties as the Administrative Agent or the Required Lenders shall designate in writing to the extent required hereby or by the Security Documents to constitute "Collateral" (it being understood that it is the intent of the parties that the Obligations shall be secured by all the Collateral of the Loan Parties (including certain owned real property and other properties acquired subsequent to the Closing Date)). Such security interests and Liens in the Collateral will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent and the Borrower, and the Borrower shall deliver or cause to be delivered to the Collateral Agent all such instruments and documents (it being understood that mortgages, deeds of trust, legal opinions and title insurance policies shall only be required with respect to Material Domestic Real Property) as the Collateral Agent shall reasonably request to effectuate the foregoing requirements in this Section 5.12. In furtherance of the foregoing, the Borrower will give prompt notice to the Administrative Agent of the acquisition by it or any of the Subsidiaries that are Loan Parties of (i) any owned Material Domestic Real Property and (ii) any Material Foreign Assets.

(b) Within ten (10) Business days of the consummation of any Permitted Acquisition of any Person organized in the United States by any of the Loan Parties that is a Wholly Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), or within ten (10) Business Days of the formation by any of the Loan Parties of any Person organized in the United States that is a Wholly Owned Subsidiary of such Loan Party (other than a Foreign Subsidiary Holdco), the Borrower shall cause such Person so acquired or formed to be designated as a Subsidiary Guarantor of the Obligations. Such Person shall become a Loan Party by executing the Guarantee and Collateral Agreement (or a joinder thereto). In addition, (i) such Person shall execute and deliver such Security Documents as the Administrative Agent, the Collateral Agent or the Required Lenders may reasonably request to grant a Lien in respect of substantially all of its real and personal property in favor of the Collateral Agent and the Lenders as required hereby or by the Guarantee and Collateral Agreement to constitute "Collateral", and (ii) the Loan Parties directly owning Equity Interests in such Person shall pledge all such Equity Interests (other than

Excluded Equity) in such Person, in each case, subject to the limitation in clauses (c) and (d) below. Notwithstanding anything to the contrary in any Loan Document, with respect to any assets or property (other than Material Foreign Assets) of any Loan Party not located in the United States (which shall, for the avoidance of doubt, include Intellectual Property registered in a jurisdiction outside the United States), no action to create or perfect a security interest or Lien shall be taken or required to be taken with respect to such assets, other than, to the extent required under the Guarantee and Collateral Agreement, the applicable Loan Party granting a security interest and Lien on such assets under the Guarantee and Collateral Agreement and the filing of UCC financing statements (including amendments thereto); provided, however, that the foregoing shall not limit any Loan Party's obligations to pledge Equity Interests in Foreign Subsidiaries (other than Excluded Equity) to the extent required hereunder or under the Guarantee and Collateral Agreement.

(c) Notwithstanding anything to the contrary, no Foreign Subsidiary shall be required to (i) grant a security interest in its assets to secure the Obligations or (ii) guarantee the Obligations.

(d) In the event that any Loan Party forms or acquires a Foreign Subsidiary or Foreign Subsidiary Holdco after the date hereof, the Borrower will promptly notify the Collateral Agent of that fact and cause such Loan Party to execute and deliver to the Collateral Agent such documents and instruments and take such further actions as may be necessary, or in the reasonable opinion of the Collateral Agent, desirable to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a Lien on all of the Equity Interests in such Foreign Subsidiary or Foreign Subsidiary Holdco held by such Loan Party (other than, in each case, Excluded Equity). Notwithstanding anything herein to the contrary, (A) all Loan Documents covering any foreign assets that are Collateral (including, without limitation, any Equity Interests of Foreign Subsidiaries that are Collateral) shall be governed by New York law, (B) no foreign law creation actions, perfection actions or other actions shall be required with respect to any Collateral, and (C) no foreign law opinion letters or foreign law governed documents shall be required with respect to any Collateral, in each case, other than with respect to, at the option of the Collateral Agent, Material Foreign Assets.

ARTICLE VI

Negative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other Obligations payable under any Loan Document shall have been paid in full (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), neither Holdings nor the Borrower will, nor will they cause or permit any of the Subsidiaries to:

SECTION 6.01 ***Indebtedness***. Incur, create, assume or permit to exist any Indebtedness, except:

(i) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and any Permitted Refinancings thereof;

(ii) Indebtedness created hereunder and under the other Loan Documents (including, without limitation, any Indebtedness incurred pursuant to Section 2.23);

(iii) Indebtedness in respect of letters of credit or incurred under a letter of credit facility providing for the issuance of letters of credit thereunder, in each case, for an amount available to be drawn not to exceed $500,000 in the aggregate;

(iv) intercompany Indebtedness of the Borrower and the Subsidiaries to the extent permitted by Section 6.04(iii);

(v) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (for the avoidance of doubt, in each case, excluding Capital Lease Obligations and Synthetic Lease Obligations) and Permitted Refinancings thereof; *provided* that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(v), when combined with the aggregate principal amount of all Capital Lease Obligations and Synthetic Lease Obligations incurred pursuant to Section 6.01(vi) shall not exceed the Permitted Capital Lease Amount at any time outstanding;

(vi) Capital Lease Obligations and Synthetic Lease Obligations in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(v), not in excess of the Permitted Capital Lease Amount at any time outstanding;

(vii) Indebtedness in respect of (x) appeal bonds or similar instruments and (y) payment, bid, performance or surety bonds, or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits, letters of credit and banker's acceptances issued for the account of Holdings or any of its Subsidiaries in each case listed under this clause (y), in the ordinary course of business, and including guarantees or obligations of Holdings or any of its Subsidiaries with respect to letters of credit supporting such appeal, payment, bid, performance or surety or other similar bonds, completion guarantees, or similar instruments, workers' compensation claims, health, disability or other employee benefits (in each case other than for Indebtedness for money borrowed);

(viii) Indebtedness under any Hedging Agreement permitted under Section 6.04(vi); *provided* that if such Hedging Agreement relates to interest rates, (i) the obligations under such Hedging Agreement relate to payment obligations on Indebtedness otherwise permitted to be incurred by the Loan Documents and (ii) the notional principal amount of such obligations under such Hedging Agreement at the time incurred does not exceed the principal amount of the Indebtedness to which such obligations under such Hedging Agreement relate;

(ix) (A) Contingent Obligations of any Loan Party of Indebtedness of any other Loan Party, (B) Contingent Obligations by any Subsidiary that is not a Loan Party of Indebtedness of any Loan Party, its Subsidiaries or its joint ventures or (C) Contingent Obligations of any Loan Party of Indebtedness of any Subsidiary or joint venture of any Loan Party that is not a Loan Party with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.01 (and with respect to clause (C) above only, when combined with the aggregate amount of Investments, loans or advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and Section 6.04(iii), in each case without duplication, do not exceed the Permitted Non-Loan Party Investment Amount) (including, without limitation, guarantees in respect of any Permitted Refinancings thereof); *provided*, that if the Indebtedness that is being guarantied is unsecured and/or subordinated to the Obligations, the guaranty shall also be unsecured and/or subordinated to the Obligations, in each case on terms no less favorable (taken as a whole) to the Lenders than the subordination terms (taken as a whole) of the Indebtedness so guarantied;

(x) (A) Indebtedness of any Person that becomes a Subsidiary after the date hereof, which Indebtedness is existing at the time such Person becomes a Subsidiary of the Borrower (other than Indebtedness incurred in contemplation of or in connection with such Person becoming a Subsidiary) in an aggregate amount not in excess of $1,000,000 at any time outstanding and (B) Indebtedness secured by assets purchased by a Loan Party in a Permitted Acquisition that is assumed by such Loan Party (other than Indebtedness incurred in contemplation of or in connection with such purchase) in an aggregate amount not in excess of $1,000,000 at any time outstanding;

(xi) Indebtedness incurred in the ordinary course of business in connection with cash pooling arrangements, netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs, cash management and other similar arrangements incurred in the ordinary course of business;

(xii) to the extent any such items constitute Indebtedness, Indebtedness arising from agreements of Holdings, the Borrower or any Subsidiary providing for indemnification, contribution, earn-out, adjustment of purchase price or similar obligations, in each case incurred or assumed in connection with any Permitted Acquisition or Disposition otherwise permitted under this Agreement; *provided* that the amount of all earn-outs shall not exceed $3,000,000 in the aggregate from the Closing Date to the Maturity Date;

(xiii) unsecured Indebtedness consisting of Indebtedness owing to a seller incurred in connection with a Permitted Acquisition in an aggregate amount outstanding not to exceed $2,000,000; *provided* that such Indebtedness is subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(xiv) Indebtedness representing any Taxes, assessments or governmental charges to the extent such Taxes are being contested in good faith and adequate reserves have been provided therefor in conformity with GAAP;

(xv) Indebtedness of Foreign Subsidiaries not in excess of $625,000 at any time outstanding;

(xvi) Indebtedness representing deferred compensation or similar obligations to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(xvii) Indebtedness consisting of obligations of the Borrower and its Subsidiaries under deferred compensation or other similar arrangements with employees incurred by such Person in connection with Permitted Acquisitions or any other Investments permitted hereunder constituting acquisitions of Persons or businesses or divisions;

(xviii) Indebtedness incurred in the ordinary course of business with respect to customer deposits and other unsecured current liabilities not the result of borrowing and not evidenced by any note or other evidence of Indebtedness;

(xix) Indebtedness consisting of (A) the financing of insurance premiums or (B) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xx) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(xxi) Indebtedness arising as a direct result of judgments, orders, awards or decrees against Holdings or any of its Subsidiaries, in each case not constituting an Event of Default;

(xxii) Indebtedness consisting of promissory notes issued by any Loan Party or its Subsidiaries to current or former officers, directors and employees (or their estates, spouses or former spouses) of any Loan Party or any Subsidiary issued to purchase or redeem capital stock of Holdings permitted by Section 6.06(a);

(xxiii) Subordinated Indebtedness in an aggregate principal amount not exceeding $500,000 at any time outstanding;

(xxiv) unsecured Indebtedness of Holdings to its Subsidiaries at such times and in such amounts necessary to permit Holdings to receive any Restricted Payment permitted to be made to Holdings pursuant to Section 6.06, so long as, as of the applicable date of determination, a Restricted Payment for such purposes would otherwise be permitted to be made pursuant to Section 6.06; *provided* that that any such Indebtedness shall be deemed to utilize on a dollar-for-dollar basis the relevant basket under Section 6.06;

(xxv) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in Section 6.01(i) through (xxiv) above; and

(xxvi) other Indebtedness of the Borrower or its Subsidiaries in an aggregate principal amount not exceeding $1,000,000 at any time outstanding (of which $1,000,000 at any time can be secured).

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such extension, replacement, refunding, refinancing, renewal or defeasance of Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, plus an amount equal to unpaid accrued interest and premium thereon, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including, without limitation, attorney's fees) incurred in connection with such extension, replacement, refunding, refinancing, renewal or defeasance.

To the extent otherwise constituting Indebtedness, the accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall be deemed not to be Indebtedness for purposes of this Section 6.01. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of the Borrower dated such date prepared in accordance with GAAP.

SECTION 6.02 ***Liens***. Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including the Borrower or any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(i) Liens on property or assets of the Borrower and the Subsidiaries existing on the date hereof and set forth in Schedule 6.02 and any Permitted Refinancing thereof; *provided* that such Liens shall secure only those obligations that they secure on the date hereof or Permitted Refinancing thereof as applicable;

(ii) any Lien created under the Security Documents or the other Loan Documents;

(iii) any Lien existing on any property or asset prior to the acquisition, construction or improvement thereof by the Borrower or any Subsidiary or existing on any property or assets of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Holdings, the Borrower or any Subsidiary and (iii) such Lien secures only those obligations (excluding the amount of any premiums or penalties and accrued and unpaid interest paid thereon and the amount of fees, costs and expenses incurred in connection therewith) that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be;

(iv) Liens for Taxes not yet due or that are being contested in compliance with Section 5.03;

(v) Landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction contractor's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue for a period of more than 30 days and payable or that are being contested in compliance with Section 5.03;

(vi) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(vii) deposits to secure the performance of bids, trade contracts (other than for Indebtedness for borrowed money), governmental contracts and leases (other than Capital Lease Obligations or Synthetic Lease Obligations), statutory obligations, surety, stay, custom and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(viii) zoning restrictions, easements, rights-of-way, title exceptions, survey exceptions, covenants, reservations, restrictions, encroachments, protrusions, conditions, licenses, building codes, minor defects or irregularities in title and other similar encumbrances affecting real property, restrictions on use of real property and other similar encumbrances incurred that, in the aggregate, do not materially adversely detract from the value and the use of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries (taken as a whole);

(ix) Liens with respect to Capital Lease Obligations and purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any Subsidiary; *provided* that (i) such security interests secure Indebtedness permitted by Section 6.01(v) or 6.01(vi), (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or construction),

(iii) the Indebtedness secured thereby does not exceed 100% of the cost of such real property, improvements or equipment at the time of such acquisition (or construction) *plus* unpaid accrued interest and premium thereon *plus* underwriting discounts, premiums paid, fees, costs and expenses (including, without limitation, attorney's fees) incurred in connection therewith and (iv) such security interests do not apply to any other property or assets of the Borrower or any Subsidiary other than any proceeds and/or replacements thereof;

(x) Liens on property or assets of a Person (other than any Equity Interests in any Person) existing at the time the assets of such Person are acquired or such Person is merged into or consolidated with the Holdings, the Borrower or any Subsidiary or becomes a Subsidiary of Holdings, the Borrower or any Subsidiary; *provided* that any such Lien (i) was not created in contemplation of or in connection with such asset purchase, merger, consolidation or investment and (ii) does not extend to any assets (other than improvements thereon) other than those acquired in such asset purchase and those assets of the Person merged into or consolidated with Holdings, the Borrower or such Subsidiary or acquired by Holdings, the Borrower or such Subsidiary;

(xi) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to (i) cash and Permitted Investments on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank or banks with respect to cash management and operating account arrangements, and (ii) financial assets on deposit in one or more securities accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the securities intermediaries with which such accounts are maintained, securing amounts owing to such securities intermediaries with respect to services rendered in connection with such securities accounts;

(xii) precautionary filings of financing statements under the Uniform Commercial Code of any applicable jurisdictions in respect of operating leases or consignments entered into by Holdings, the Borrower or the Subsidiaries in the ordinary course of business;

(xiii) Liens arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xiv) Liens on cash collateral securing Indebtedness permitted under Section 6.01(iii) and Liens on cash collateral for the letter of credit listed on Schedule 6.01 and any Permitted Refinancings thereof in lieu of the security interest granted or security provided in respect of such letter of credit described on Schedule 6.02; *provided* that the aggregate amount of cash collateral subject to the Liens permitted under this Section 6.02(xiv) shall not exceed 105% of the aggregate face amount of all outstanding letters of credit issued and outstanding under the applicable letter of credit or letter of credit facility;

(xv) (A) Liens on insurance policies and the proceeds thereof securing insurance premium financing permitted hereunder and (B) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings or any of its Subsidiaries;

(xvi) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Borrower or any Subsidiary in the ordinary course of business;

(xvii) Liens on the assets of Foreign Subsidiaries that secure Indebtedness permitted pursuant to Section 6.01(xv) (and related obligations);

(xviii) good faith earnest money deposits made in connection with a Permitted Acquisition or any other Investment or letter of intent or purchase agreement permitted hereunder;

(xix) Leases and subleases of the properties of any Loan Party or their Subsidiaries granted by such Person to third parties;

(xx) non-exclusive licenses and sublicenses in the ordinary course of business;

(xxi) Liens to the extent arising out of judgments, orders, attachments, decrees or awards not resulting in an Event of Default;

(xxii) Liens (A) incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and (B) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(xxiii) other Liens securing Indebtedness not to exceed $1,000,000 in the aggregate at any time outstanding.

Notwithstanding anything to contrary hereunder or under any other Loan Document, no Liens (other than Liens permitted under clauses (ii) and (iv) shall be permitted on Equity Interests issued by the Borrower or any of its Subsidiaries which constitute Collateral.

SECTION 6.03 ***Sale and Lease-Back Transactions***. Enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer all of its right, title and interest to any property, real or personal with a fair market value in excess of $1,000,000, used or useful in its business, whether now owned or hereafter acquired, contemporaneously or substantially contemporaneously therewith rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except to the extent (a) the sale or transfer of such property is permitted by Section 6.05 and, (b) any Capital Lease Obligations, Synthetic Lease Obligations or Liens arising in connection therewith are permitted by Section 6.01 and Section 6.02, as the case may be.

SECTION 6.04 ***Investments***. Purchase, hold, make or acquire any Investments, any other Person, except:

(i) (A) Investments by Holdings, the Borrower and the Subsidiaries existing on the date hereof in the Equity Interests of the Borrower and the Subsidiaries and (B) additional Investments by Holdings, the Borrower and the Subsidiaries in the Equity Interests of the Borrower and the Subsidiaries; *provided* that (x) any such Equity Interests (other than Excluded Equity) held by a Loan Party shall be pledged pursuant to the Guarantee and Collateral Agreement (subject to the limitations and exclusions referred to therein) and (y) the aggregate amount of Investments made by Loan Parties after the date hereof in Subsidiaries that are not Loan Parties (determined without regard to any write downs or write-offs of such Investments), when combined with the aggregate amount of loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(iii) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount;

(ii) Permitted Investments;

(iii) loans or advances made by any Loan Parties or their Subsidiaries to any other Loan Party (except with respect to Section 6.01(xxiv), other than Holdings), Subsidiary or a Subsidiary of a Loan Party or joint ventures thereof; *provided* that the aggregate amount of such loans and advances made by Loan Parties to Subsidiaries or joint ventures that are not Loan Parties (determined without regard to any write-downs or write-offs of such loans and advances), when combined with the aggregate amount of Investments made by Loan Parties after the date hereof in Subsidiaries or joint ventures that are not Loan Parties pursuant to Section 6.04(i) and the aggregate amount of Contingent Obligations of Loan Parties with respect to Indebtedness of Subsidiaries and joint ventures that are not Loan Parties pursuant to Section 6.01(ix)(C), in each case without duplication, shall not exceed the Permitted Non-Loan Party Investment Amount at any time outstanding and shall be evidenced by a promissory note to the extent required by the Guarantee and Collateral Agreement;

(iv) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(v) Holdings, the Borrower and its Subsidiaries may make loans and advances in the ordinary course of business (including for travel, entertainment and relocation expenses) to their respective officers, directors and employees so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed $500,000;

(vi) the Borrower and its Subsidiaries may enter into Hedging Agreements that are not speculative in nature;

(vii) the Borrower and any Subsidiary may acquire all or substantially all the assets of a Person or line of business of such Person, or not less than 90% of the Equity Interests (other than directors' qualifying shares) of a Person (referred to herein as the "***Acquired Entity***") provided that (I) the Borrower shall comply, and shall cause the Acquired Entity to comply (in each case, to the extent applicable), with the applicable provisions of Section 5.12 and the Security Documents and (II) such transactions meet the following criteria (or such criteria is waived) in one of the three clauses of (A), (B) and (C) below (any acquisition of an Acquired Entity meeting all the criteria in one of clauses of (A), (B) and (C) (or having any such criteria waived) of this Section 6.04(vii) being referred to herein as a "***Permitted Acquisition***"):

(A) Other than an acquisition satisfying the criteria set forth in clause (B) or clause (C), such acquisition satisfies the following:

(i) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition;

(ii) the Consolidated Leverage Ratio shall not be greater than 0.74 to 1 on a pro forma basis after giving effect to such acquisition; and

(iii) the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with paragraphs (A)(i) and (A)(ii) of this Section 6.04(vii) and containing reasonably detailed calculations in support of paragraph (A)(ii) of this Section 6.04(vii);

(B) such acquisition is funded solely with the Equity Interests of Holdings or proceeds from any issuance of Equity Interests by Holdings (in each case, not constituting Disqualified Stock); or

(C) such acquisition is funded with cash or Permitted Investments of Holdings, the Borrower or any Subsidiary, and both (a) no Default or Event of Default exists at the time of such acquisition or would exist immediately after giving effect to such acquisition and (b) immediately after giving effect to such acquisition and the use of any cash or Permitted Investments of Holdings, the Borrower or any Subsidiary for such acquisition, Liquidity shall not be less than $3,000,000;

(viii) Contingent Obligations permitted by Section 6.01;

(ix) prepaid expenses or lease, utility and other similar deposits, in each case made in the ordinary course of business;

(x) Investments consisting of any deferred portion (including promissory notes and non cash consideration) of the sales price received by Holdings, the Borrower or any Subsidiary in connection with any Disposition permitted hereunder;

(xi) advances of payroll payments to employees, officers, directors and managers of Holdings, the Borrower and any Subsidiaries in the ordinary course of business;

(xii) extensions of trade credit or the holding of receivables in the ordinary course of business and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such account debtors or suppliers;

(xiii) the Borrower and its Subsidiaries may endorse negotiable instruments and other payment items for collection or deposit in the ordinary course of business or make lease, utility and other similar deposits in the ordinary course of business;

(xiv) Investments of any Person that becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower on or after the date hereof on the date such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary of the Borrower; provided that (i) such Investments exist at the time such Person becomes (or is merged or consolidated or amalgamated with) a Subsidiary, and (ii) such Investments are not made in anticipation or contemplation of such Person becoming (or merging or consolidating or amalgamated with) a Subsidiary;

(xv) advances in connection with purchases of goods or services in the ordinary course of business;

(xvi) Investments to the extent that payment for such Investments is made solely with Qualified Capital Stock of Holdings or Equity Interests of any direct or indirect parent company of Holdings; and

(xvii) Investments consisting of good faith deposits made in accordance with Section 6.02(xviii);

(xviii)(i) Investments outstanding on the Closing Date and identified on Schedule 6.04 and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any Investment described in clause (i) above; *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment on the Closing Date except pursuant to the terms of such Investment as of the Closing Date or pursuant to another Investment otherwise permitted by this Section 6.04;

(xix) promissory notes or other obligations of directors (or comparable position), officers or other employees of a Loan Party or any of its Subsidiaries acquired in the ordinary course of business in connection with such directors' (or comparable position), officers' or employees' acquisition of Equity Interests in such Loan Party or such Subsidiary (to the extent such acquisition is permitted under this Agreement), (A) so long as no cash is advanced by the Borrower or any of its Subsidiaries that are Loan Parties in connection with such Investment or (B) if paid in cash, in an aggregate amount not to exceed $1,000,000 at any time outstanding;

(xx) any Loan Party or any of its Subsidiaries may make a loan that could otherwise be made as a distribution permitted under Section 6.06 (with a commensurate dollar-for-dollar reduction of their ability to make additional distributions under such Section); provided that any such loan made by a Loan Party and shall be evidenced by a promissory note and pledged to the Collateral Agent to the extent required by the Guarantee and Collateral Agreement;

(xxi) Investments to the extent constituting the reinvestment of the Net Asset Sale Proceeds arising from any Asset Sale or Net Insurance/Condemnation Proceeds arising from any Casualty Event to repair, replace or restore any property in respect of which such proceeds were paid or to reinvest in other properties or assets that are used or are otherwise useful in the business of the Loan Parties and their Subsidiaries;

(xxii) the Runbook Acquisition; and

(xxiii) ~~(xxii)~~ in addition to Investments permitted by paragraphs (i) through (xxi) above, additional Investments by the Borrower and the Subsidiaries so long as the aggregate amount invested pursuant to this paragraph (xxii) (determined without regard to any write-downs or write-offs of such Investments, but net of cash returns thereon) does not exceed $1,500,000.

SECTION 6.05 ***Consolidations, Dispositions of Assets and Acquisitions***. Enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub-lease (as lessor or sublessor), transfer or otherwise Dispose of, in one transaction or a series of transactions, all or any part of its business, property or assets (including its notes or receivables and Equity Interests of a Subsidiary, whether newly issued or outstanding), whether now owned or hereafter acquired, except:

(i) any Subsidiary of the Borrower may be merged with or into the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to the Borrower or any Wholly Owned Subsidiary of the Borrower that is a Guarantor; *provided* that, in the case of such a merger, the Borrower or such Wholly Owned Subsidiary shall be the continuing or surviving Person;

(ii) any Subsidiary of the Borrower that is not a Guarantor may be merged with or into any Subsidiary of the Borrower that is not a Guarantor, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise Disposed of, in one transaction or a series of transactions, to any Subsidiary of the Borrower that is not a Guarantor;

(iii) the Borrower and its Subsidiaries may sell or otherwise Dispose of assets in transactions that do not constitute Asset Sales;

(iv) the Borrower and its Subsidiaries may Dispose of obsolete, worn out or surplus property in the ordinary course of business;

(v) the Borrower and its Subsidiaries may make Asset Sales; *provided* that (a) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof; (b) at least 75% of such consideration received shall be cash; (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto; and (d) the proceeds of such Asset Sales shall be applied to the extent required by Section 2.11(b);

(vi) in order to resolve disputes that occur in the ordinary course of business, the Borrower and its Subsidiaries may sell, transfer, discount, forgive, cancel or otherwise compromise for less than the face value thereof, notes or accounts receivable;

(vii) the Borrower or a Subsidiary may Dispose of Equity Interests of any of its Subsidiaries solely to qualify directors of the Governing Body of the Subsidiary if, and to the extent, required by applicable law;

(viii) any Person may be merged with or into the Borrower or any Subsidiary if the acquisition of the Equity Interests of such Person by the Borrower or such Subsidiary would have been permitted pursuant to Section 6.04(vii); *provided* that (a) in the case of the Borrower, the Borrower shall be the continuing or surviving entity, (b) if a Subsidiary is not the surviving or continuing Person, the surviving Person becomes a Subsidiary and complies with the provisions of Section 5.12 (to the extent required thereby and subject to the limitations and exceptions set forth therein) and (c) no Event of Default shall have occurred or be continuing immediately after giving effect thereto;

(ix) the Loan Parties may engage in transactions that are excluded from the definition of "Asset Sale" by the parenthetical following clause (iii) thereof;

(x) the lapse or abandonment in the ordinary course of business of any Intellectual Property that is, in the reasonable business judgment of the Borrower, immaterial or no longer economically practicable to maintain;

(xi) Dispositions of property to the Borrower or a Subsidiary; *provided*, that if the transferor of such property is a Loan Party (a) the transferee thereof must be a Loan Party (other than Holdings) or (b) such Investment must be a permitted Investment in a Subsidiary that is not a Loan Party in accordance with Section 6.04;

(xii) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property; provided that to the extent the property being transferred constitutes Collateral, such replacement property shall constitute Collateral;

(xiii) (A) Investments permitted pursuant to Section 6.04, (B) transactions permitted pursuant to Section 6.03, (C) Liens in compliance with Section 6.02 and (D) Restricted Payments in compliance with Section 6.06;

(xiv) (x) leases and subleases of real or personal property in the ordinary course of business and (y) non-exclusive licenses and sublicenses of Intellectual Property or other property;

(xv) sales of non-core assets acquired in connection with any Permitted Acquisitions;

(xvi) use of cash and Disposition of Permitted Investments in the ordinary course of business;

(xvii) Dispositions resulting from Casualty Events; and

(xviii) the unwinding or terminating of Hedging Agreement.

To the extent the Required Lenders or all the Lenders, as applicable, waive the provisions of this Section 6.05 with respect to the sale of any Collateral, or any Collateral is sold as permitted by this Section 6.05, such Collateral (unless sold to a Loan Party) shall be sold automatically free and clear of the Liens created by the Security Documents and the Agents shall, at the reasonable cost and expense of the Borrower, take all actions they reasonably deem appropriate in order to effect the foregoing.

SECTION 6.06 ***Restricted Payments; Restrictive Agreements***.

(a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so; *provided*, *however*, that (i) any Subsidiary of the Borrower may declare and pay dividends or make other distributions ratably to its equity holders, (ii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed the Permitted Restricted Payment Amount in any fiscal year of the Borrower to the extent necessary to pay independent director fees incurred by Holdings in the ordinary course of business, (iii) the Borrower may make Restricted Payments to Holdings in an amount not to exceed $250,000 in any fiscal year of the Borrower, (and Holdings may make a corresponding Restricted Payment to the Sponsor or its Affiliates) to the extent necessary to pay reasonable general corporate or other entity and overhead expenses (including franchise or similar Taxes, other than Taxes in the nature of an income Tax, which is covered by Permitted Tax Distributions, but excluding fees to independent directors) incurred by Holdings or the Sponsor or its Affiliates (limited, in the case of the Sponsor and any of its Affiliates, to amounts directly related to its indirect ownership interests in the Borrower) or pay any indemnification amounts or other amounts described in Section 6.07(v) below owed to Holdings or the Sponsor or its Affiliates, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (iv) the Borrower may pay to Holdings, and Holdings may pay to its direct or indirect parent companies, Permitted Tax Distributions; (v) Holdings, the Borrower and the Subsidiaries may make Restricted Payments in the form of distributions payable solely in the common stock, other common Equity Interests or other Qualified Capital Stock of such Person; (vi) the Borrower and Holdings may make (directly or indirectly) Permitted Founder Distributions; (vii) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, payments may be made to Holdings (or any direct or indirect parent company of Holdings) to permit Holdings (or any such direct or indirect parent company of Holdings) to repurchase or redeem Qualified Capital Stock of Holdings (or any direct or indirect parent company) held by current or former officers, directors or employees (or their transferees, spouses, ex-spouses, estates or beneficiaries under their estates) of any Loan Party or their Subsidiaries, upon their death, disability, retirement, severance or termination of employment or service or to make payments on Indebtedness issued to buy such Qualified Capital Stock upon their death,

disability, retirement, severance or termination of employment or service; *provided* that the aggregate cash consideration (for the avoidance of doubt excluding cancellation of Indebtedness owed by such person) paid for all such redemptions and payments shall not exceed, in any fiscal year, the sum of (I) $1,000,000, *plus* (II) the net cash proceeds of any "key-man" life insurance policies of any Loan Party or its Subsidiaries that have not been used to make any repurchases, redemptions or payments under this clause (vii) *provided further*, that any Restricted Payments or payments permitted to be made (but not made) pursuant to subclause (I) of this clause (vii) in a given fiscal year of Holdings may be carried forward and made in succeeding fiscal years of Holdings; *provided further* that during an Event of Default any payments described in this clause may accrue and shall be permitted to be paid when no Event of Default is continuing at such time; (viii) Restricted Payments may be made solely in Equity Interests of Holdings (other than Disqualified Stock), (ix) repurchases of Equity Interests may be made by Holdings upon the occurrence of the exercise of Equity Interest options if the Equity Interests represent a portion of the exercise price thereof and (x) distributions of proceeds of the Initial Term Loans to Holdings to effectuate the Existing Debt Refinancing on the Closing Date; *provided, however*, that (A) (x) the amount of cash dividends paid pursuant to clauses (iii) and (iv) to enable Holdings to pay Taxes at any time shall not exceed the amount of such Taxes actually owing by Holdings (or such applicable parent company) at such time and (y) any refunds (including in respect of Taxes) received by Holdings shall promptly be returned by Holdings to the Borrower as cash common equity contributions and (B) any Permitted Founder Distributions made pursuant to clause (vi) are subject to (1) the Loan Parties having no net operating losses (without taking into account any interest tax deduction) that have not been utilized to offset net income for any prior relevant period at the time such Permitted Founder Distribution is made, (2) the sum of (x) net income (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, plus (y) interest expense (determined in accordance with GAAP) of the Loan Parties and their Subsidiaries, on a consolidated basis, for the most recently ended fiscal year, exceeding $0, (3) immediately after giving effect to any such distribution, Liquidity being greater than or equal to $3,000,000 and (4) the aggregate amount of all such Permitted Founder Distributions made during the term of this Agreement not exceeding $8,000,000.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Holdings, the Borrower or any Wholly Owned Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (ii) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to guarantee Indebtedness of the Borrower or any other Subsidiary; *provided* that (A) the foregoing shall not apply to restrictions and conditions imposed by law or regulation or by any Loan Document or any agreement or document related to the Indebtedness permitted by Section 6.01(iii) or the Liens on cash collateral permitted by Section 6.02(xiv), (B) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary (or its assets) pending such sale, provided such restrictions and conditions apply only to the Subsidiary or such assets that is (or are) to be sold and such sale is permitted hereunder, (C) clause (i) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (D) clause (i) of the foregoing shall not apply to customary provisions in leases, subleases, licenses, sublicenses and other contracts restricting the assignment thereof, (E) the foregoing shall not apply with respect to (i) any agreement (including with respect to Indebtedness) in effect at the time any Person becomes a Subsidiary of the Borrower; *provided*, that such agreement was not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, (ii) restrictions under agreements evidencing or governing or otherwise relating to Indebtedness of any Subsidiaries that are not Loan Parties permitted under Section 6.01; *provided* that such Indebtedness is only with respect to the assets of any Subsidiaries that are not Loan Parties, (iii) customary provisions in joint venture agreements, limited liability company operating agreements, partnership agreements, stockholders agreements, other Organizational Documents and other

similar agreements, (iv) customary anti-assignment provisions in licenses and other contracts restricting the sublicensing or assignment thereof, (v) pursuant to Contractual Obligations that (y) exist on the Closing Date and (z) to the extent Contractual Obligations permitted by this clause (v) are set forth in an agreement evidencing Indebtedness or any agreement evidencing any Permitted Refinancing thereof so long as such Permitted Refinancing does not expand the scope of such Contractual Obligation, and (vi) restrictions in connection with cash or other deposits permitted under Section 6.02.

SECTION 6.07 ***Transactions with Affiliates***. Except for (i) transactions between or among Loan Parties, (ii) Investments permitted by Section 6.04, and Indebtedness permitted by Section 6.01, and Liens permitted by Section 6.02, (iii) Dispositions, mergers, consolidations and dissolutions permitted by Section 6.05(i), (iv) Restricted Payments permitted by Section 6.06, (v) reimbursements of costs and expenses of the Sponsor or its Affiliates or any indemnities provided to the Sponsor or its Affiliates, in each case, pursuant to the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements and severance agreements, in each case approved by the Governing Body of Holdings, any direct or indirect parent entity of Holdings or the applicable Subsidiary of Holdings, (vii) transactions under the Loan Documents and the Related Documents, (viii) Dispositions of Qualified Capital Stock of Holdings to Affiliates of Borrower or Holdings not otherwise prohibited by the Loan Documents and the granting of registration and other customary rights in connection therewith, (ix) the Transactions, (x) the transactions with Velocity Technology Solutions, Inc. or its Affiliates that are approved by all disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of Holdings ~~and (xi~~, (xi) transactions under the Heller Management Agreement and the Leesberg Management Agreement and (xii) the transactions set forth on Schedule 6.07, and any amendment or modification with respect to such transactions, and the performance of obligations thereunder, so long as such amendment or modification is not materially adverse to the interests of the Lenders, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except that the Borrower or any Subsidiary may engage in any of the foregoing transactions at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties; *provided* that if such Affiliate transaction both (1) does not meet one of the exceptions in clauses (i) through (~~xi~~xii) above and (2) involves aggregate payments or value in excess of $1,000,000, the Borrower shall either obtain written approval for such Affiliate transaction from (y) all of the disinterested directors (or the equivalent thereof) (excluding any independent director that may have an interest in the particular transaction) of the appropriate Governing Body of the Borrower or such Subsidiary, as applicable or (z) the Administrative Agent.

SECTION 6.08 ***Business of Holdings, Borrower and Subsidiaries***.

(a) With respect to Holdings, engage in any business activities prohibited by Section 6.13; and

(b) With respect to the Borrower and each of its Subsidiaries, engage at any time in any business or business activity other than the business conducted by it on the date hereof and any business reasonably related, similar, ancillary, complementary or incidental thereto or reasonable extensions thereof.

SECTION 6.09 ***Other Indebtedness and Agreements, etc***.

(a) Make any distribution, whether in cash, property, securities or a combination thereof, other than regularly scheduled payments of principal and interest and premiums and fees as and when due (to the extent not prohibited by applicable subordination provisions), in respect of, or pay, or directly or indirectly redeem, repurchase, retire or otherwise acquire for consideration, any Subordinated Indebtedness unless permitted by the applicable subordination agreement, except (i) with respect to any Permitted Refinancing thereof, (ii) to the extent made with the proceeds of Qualified Capital Stock of Holdings, (iii) with respect to the Existing Debt Refinancing on the Closing Date, (iv) with respect to converting (or exchanging) any Indebtedness to (or for) Qualified Capital Stock of Holdings, (v) any AHYDO payments with respect thereto so long as no Event of Default is continuing or would immediately result therefrom and (vi) so long as no Event of Default is continuing, making prepayments, redemptions, repurchases, retirement, defeasance or other satisfaction of Indebtedness in an amount not to exceed $500,000 per year; or

(b) Pay in cash any amount in respect of any Indebtedness (other than interest payable under this Agreement), Disqualified Stock or preferred Equity Interests that may at the obligor's option be paid in kind or in other securities, in each case, at a time (but only at such time) when PIK Interest is being paid (as opposed to all cash interest) on the Initial Term Loans ~~and~~, 2016 Term Loans or the 2016 Acquisition Term Loans pursuant to Section 2.06;

(c) Pay any Management Fees.

(d) Pay any fees payable pursuant to the Leesberg Management Agreement and the Heller Management Agreement; each as in effect on the Third Amendment Effective Date.

SECTION 6.10 ***Maximum Consolidated Leverage Ratio***. Permit the Consolidated Leverage Ratio as of the last day of each period set forth below to be greater than the ratio set forth opposite such period below:

Four Fiscal Quarters Ending	**Ratio**
Four fiscal quarters ending September 30, 2014	1.0 to 1.0
Four fiscal quarters ending December 31, 2014	1.0 to 1.0
Four fiscal quarters ending March 31, 2015	0.99 to 1.0
Four fiscal quarters ending June 30, 2015	0.99 to 1.0
Four fiscal quarters ending September 30, 2015	0.99 to 1.0
Four fiscal quarters ending December 31, 2015	0.99 to 1.0
Four fiscal quarters ending March 31, 2016	0.97 to 1.0
Four fiscal quarters ending June 30, 2016	0.97 to 1.0
Four fiscal quarters ending September 30, 2016	0.97 to 1.0
Four fiscal quarters ending December 31, 2016	0.97 to 1.0
Four fiscal quarters ending March 31, 2017	0.94 to 1.0
Each four fiscal quarter period ending on March 31, June 30, September 30 and December 31 thereafter	0.94 to 1.0

SECTION 6.11 ***Fiscal Year***. Permit any of Holdings, the Borrower or any Subsidiary to change its fiscal year end to a date other than December 31.

SECTION 6.12 ***Amendments or Waivers of Documents Relating to Subordinated Indebtedness, Certain Documents and Equity Interests***.

(a) ***Amendments of Documents Relating to Certain Indebtedness***. Amend, waive, supplement, modify or otherwise change the terms of any Subordinated Indebtedness in a way that is expressly prohibited by the terms of the applicable subordination agreement (as in effect the date the Borrower acknowledges or agrees in writing to the terms of such subordination agreement or as amended in an amendment approved in writing by the Borrower).

(b) ***Amendments of Certain Documents***. Make any amendment, waiver, restatement, supplement or other modification to such Person's Organizational Documents in any manner materially adverse to the Lenders without in each case obtaining the prior written consent of the Administrative Agent to such amendment, waiver, restatement, supplement or other modification; *provided* that, for the avoidance of doubt, Holdings may issue Equity Interests so long as such issuance is not otherwise prohibited by this Agreement, and may amend or modify its Organizational Documents to authorize the issuance of any such Equity Interests.

SECTION 6.13 ***Conduct of Business by Holdings***. With respect to Holdings, engage in any business or activity, hold any assets or incur any Indebtedness or other liabilities, other than (i) the ownership of all outstanding Equity Interests in the Borrower, (ii) maintaining its corporate existence, (iii) participating in tax, accounting and other administrative activities as a member of the consolidated group of companies including the Loan Parties, (iv) executing, delivering and the performance of rights and obligations under the Loan Documents, the Related Documents, the Acquisition Agreement and related documents to which it is a party, (v) performance of rights and obligations under the Management Agreement or any other customary management or advisory arrangement (whether in writing, verbal or otherwise), (vi) making any Restricted Payment permitted by Section 6.06, (vii) purchasing Qualified Capital Stock of Borrower, (viii) making capital contributions to Borrower, (ix) executing, delivering and the performance of rights and obligations under any employment agreements and any documents related thereto, (x) the making of loans to officers, the Governing Body, and employees in exchange for Equity Interests of Holdings purchased by such officers, Governing Body, or employees pursuant to Section 6.04 and the acceptance of notes related thereto and (xi) activities incidental to the businesses or activities described in clauses (i)-(x) above.

ARTICLE VII

Events of Default

SECTION 7.01 ***Events of Default***. In case of the happening of any of the following events ("***Events of Default***"):

(a) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest or premium on any Loan or any Fee or any other amount (other than an amount referred to in (a) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three days;

(c) any representation or warranty made or deemed made to any Agent or Lender in or in connection with or pursuant to any Loan Document or the Loans made hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document, shall be false or misleading in any material respect when so made, deemed made or furnished (except to the extent already qualified by materiality, in which case it shall not be false or misleading in any respect);

(d) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in Section 4.02, Section 5.01(a), Section 5.01(b) (solely to the extent the failure to comply has resulted in a Material Adverse Effect), Section 5.04(b) (and such default shall continue unremedied for a period of ten days), Section 5.05(a), Section 5.08, or in Article VI (*provided* that any failure to comply with Section 6.10 shall be subject to cure pursuant to Section 7.02);

(e) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) or any Related Document and such default shall continue unremedied for a period of 30 days after the earlier of (i) written notice thereof from the Administrative Agent or any Lender to the Borrower and (ii) knowledge thereof by a Responsible Officer of Holdings or the Borrower;

(f) (i) Holdings, the Borrower or any Subsidiary shall fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any cure periods); or (ii) any other event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment (other than customary mandatory prepayments), repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (ii) shall not apply to secured Indebtedness that becomes due solely as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), or of all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), under the Bankruptcy Code, as

now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or (iii) the winding-up or liquidation of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary); and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking relief under the Bankruptcy Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) or for all or substantially all of the property or assets of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary), (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) become unable, admit in writing its liability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Holdings, the Borrower, any Subsidiary (other than any Immaterial Subsidiary) or any combination thereof and the same shall remain undischarged, unstayed, unvacated and unbonded for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Holdings, the Borrower or any Subsidiary (other than any Immaterial Subsidiary) to enforce any such judgment and such judgment either (i) is for the payment of money in an aggregate amount in excess of $1,125,000 generally and $3,000,000 with respect to unpaid state taxes (after giving effect to insurance (and taking into account any deductibles) as to which Holdings, the Borrower or any Subsidiary has promptly submitted or will promptly submit a written claim in respect thereof to the applicable insurance carrier and the insurance carrier has not denied liability by an appropriate proceeding and is solvent and not an Affiliate of Holdings, the Borrower or any of its Subsidiaries) or (ii) is for injunctive relief and could reasonably be expected to result in a Material Adverse Effect;

(j) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of the Borrower, Holdings or any Subsidiary in an aggregate amount exceeding $1,000,000;

(k) any guarantee under the Guarantee and Collateral Agreement for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Guarantor shall deny in writing that it has any further liability under the Guarantee and Collateral Agreement (other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) any security interest purported to be created by any Security Document shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected, first priority (subject to Lien permitted by Section 6.02) security interest in the securities, assets or properties purported to be covered thereby (other than any Collateral that both (x) has a fair market value of not more than $375,000 in the aggregate, and (y) is not material to the operations, business or prospects of any Loan Party) other than by reason of action or inaction by the Collateral Agent, the Administrative Agent, the Lenders, the other Secured Parties or their Related Parties;

(m) any Subordinated Indebtedness of Holdings, the Borrower or any Subsidiary constituting Material Indebtedness shall cease (or any Loan Party or an Affiliate of any Loan Party shall so assert), for any reason, to be validly subordinated to the Obligations as provided in the agreements evidencing such Subordinated Indebtedness; or

(n) the Acquisition shall be unwound by a final, non-appealable judgment of a court of competent jurisdiction; then, and in every such event (other than an event with respect to any of the Loan Parties described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such an Event of Default, the Administrative Agent may, and at the written request of the Required Lenders shall, by written notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable (and accrued interest thereon), together with the Applicable Prepayment Premium (other than in the case of acceleration of the Loans due to the Loan Parties' breach of the covenant set forth in Section 6.10) for the prepayment date with respect to such principal amount paid and accrued interest thereon, and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to any of the Loan Parties described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding (and accrued interest thereon), together with the Applicable Prepayment Premium for the prepayment date with respect to such principal amount paid and accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Loan Parties accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each of Holdings and the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Collateral Agent shall have the right to enforce all of the Liens created pursuant to the Security Documents and exercise on behalf of itself and the other Secured Parties all rights and remedies available to it and the other Secured Parties under the Loan Documents or applicable law, including the right to appoint a receiver.

If the Obligations are accelerated for any reason, including because of default, Disposition or encumbrance (including that by operation of law or otherwise), the Applicable Prepayment Premium will also be due and payable on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans, the 2016 Term Loans and/or the 2016 Acquisition Term Loans that has been capitalized and added to principal of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), as though said indebtedness was voluntarily prepaid and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. Any Applicable Prepayment Premium payable pursuant to the immediately preceding sentence shall be presumed to be the liquidated damages sustained by each such Initial Term Loan Lender ~~or~~, 2016 Term Loan Lender or 2016 Acquisition Term Lender, as applicable, as the result of the early termination and the Borrower agrees that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans that has been capitalized and added to principal of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), in the event the Obligations (and/or this

Agreement or the Notes evidencing the Obligations) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. THE BORROWER EXPRESSLY WAIVES THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREPAYMENT PREMIUM ON THE OUTSTANDING PRINCIPAL AMOUNT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, PIK INTEREST ON THE INITIAL TERM LOANS, 2016 TERM LOANS OR 2016 ACQUISITION TERM LOANS THAT HAS BEEN CAPITALIZED AND ADDED TO PRINCIPAL OF SUCH INITIAL TERM LOANS, 2016 TERM LOANS OR 2016 ACQUISITION TERM LOANS, AS APPLICABLE) OF SUCH INITIAL TERM LOANS, 2016 TERM LOANS OR 2016 ACQUISITION TERM LOANS, AS APPLICABLE IN CONNECTION WITH ANY SUCH ACCELERATION. The Borrower expressly agrees that: (A) the Applicable Prepayment Premium on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans that has been capitalized and added to principal of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable, is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans that has been capitalized and added to principal of the Initial Term Loans or 2016 Term Loans, as applicable) of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable, shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Lenders and the Borrower giving specific consideration in this transaction for such agreement to pay the Applicable Prepayment Premium; and (D) the Borrower shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrower expressly acknowledges that its agreement to pay the Applicable Prepayment Premium on the outstanding principal amount (including, for the avoidance of doubt, PIK Interest on the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans that has been capitalized and added to principal of such Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable) of the Initial Term Loans, 2016 Term Loans or 2016 Acquisition Term Loans, as applicable (but not any Revolving Loans, Incremental Loans, interest accruing thereon, other Obligations or other amounts), to such Lenders as herein described is a material inducement to the Initial Term Loan Lenders ~~and,~~ the 2016 Term Loan Lenders and 2016 Acquisition Term Loan Lenders, as applicable, to make the Initial Term Loans ~~and,~~ the 2016 Term Loans and 2016 Acquisition Term Loans, as applicable.

SECTION 7.02 ***Right to Cure***.

(a) Notwithstanding anything to the contrary contained in Section 7.01, in the event that the Borrower fails to comply with the requirements of the covenant set forth in Section 6.10, during the period beginning on the first day following the applicable fiscal quarter (i.e., the last fiscal quarter in the period of non-compliance with the covenant set forth in Section 6.10) until the expiration of the 15th day subsequent to the date the Compliance Certificate to be delivered pursuant to Section 5.04(c) for such fiscal quarter is required to be delivered (the "***Cure Date***"), Holdings shall have the right to use cash proceeds of any equity contribution (in the form of Qualified Capital Stock) to Holdings during such period (any such equity contribution to Holdings to exercise the Cure Right pursuant to this Section, a "***Cure Contribution***") or any issuance of Equity Interests by Holdings (other than any issuance of Disqualified Stock) during such period (any such Equity Interests issued by Holdings to exercise the Cure Right pursuant to this Section, "***Cure Securities***") to make an equity contribution to, or purchase equity of, the Borrower in each case, in the form of Qualified Capital Stock (collectively, the "***Cure Right***"), and upon the receipt by the Borrower of such cash (the "***Cure Amount***") pursuant to the exercise by Holdings of such Cure Right and written request to the Administrative Agent to effect such recalculation, the covenant set forth in Section 6.10 shall be recalculated giving effect to the following pro forma adjustments:

(i) Consolidated Revenue shall be increased for such fiscal quarter (and any four fiscal quarter-period that includes such fiscal quarter), solely for the purpose of measuring the covenant set forth in Section 6.10 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the covenant set forth in Section 6.10, the Borrower shall be deemed to have satisfied the requirements of the covenant set forth in Section 6.10 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the covenant set forth in Section 6.10 that had occurred shall be deemed cured for the purposes of this Agreement.

(b) Notwithstanding anything herein to the contrary (i) in each four consecutive fiscal-quarter period there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) during the term of this Agreement, the Cure Right may be exercised no more than four times, (iii) the Cure Amount shall be no greater than the amount required for purposes of causing the Borrower to comply with the covenant set forth in Section 6.10, (iv) subject to Section 2.11(j), the proceeds of a Cure Contribution or Cure Securities shall be used to prepay the outstanding Initial Term Loans, 2016 Term Loans and 2016 Acquisition Term Loans (and, with respect to any Incremental Loans, only to the extent agreed pursuant to Section 2.23(d)(iv)) on a pro rata basis (and, in each case and notwithstanding anything to the contrary in this Agreement, such prepayment shall not be subject to the Applicable Prepayment Premium) and the Loans shall be deemed repaid for the purposes of recalculating the covenant set forth in Section 6.10.

(c) Upon the Administrative Agent's receipt of a notice from the Borrower that it intends to exercise the Cure Right (a "***Notice of Intent to Cure***"), until the 15th day subsequent to the date of required delivery of the related Compliance Certificate delivered pursuant to Section 5.04(c) to which such Notice of Intent to Cure relates, neither the Administrative Agent nor any Lender shall exercise the right to accelerate payment of the Loans or terminate or suspend the Commitments nor take any other remedy pursuant to Section 7.01 or otherwise and neither the Collateral Agent nor any other Lender shall exercise any right to foreclose on or take possession of the Collateral solely on the basis of an allegation of an Event of Default having occurred and being continuing under Section 7.01 due to failure by the Borrower to comply with the requirements of the covenant set forth in Section 6.10 for the applicable period.

ARTICLE VIII

The Administrative Agent and the Collateral Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the "***Agents***") its agent and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

The Person serving as the Administrative Agent and/or the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such Person and its affiliates may provide debt financing, equity capital or other services (including financial advisory services) to any of the Loan Parties (or any Person engaged in similar business as that engaged in by any of the Loan Parties) as if such Person was not performing the duties specified herein, and may accept fees and other consideration from any of the Loan Parties for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the Person serving as the Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct as finally judicially determined by a court of competent jurisdiction. Neither Agent nor any Lender shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent or such Lender by Holdings, the Borrower or a Lender, and neither Agent nor any Lender shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any 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 Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent or such Lender.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facilities as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, either Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default), to appoint a successor other than any Excluded Lender. If no successor shall have been so appointed by the Required Lenders (with the Borrower's written consent, subject to the limitations on consent in the immediately preceding sentence) and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent (other than any Excluded Lender) with the written consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned and such consent not to be required during the continuance of a Designated Event of Default) which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor (who shall not be an Excluded Lender and any attempted appointment of an Excluded Lender shall be absolutely void *ab initio*), such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. If within 30 days after written notice is given of the resigning Agent's resignation under this Article VIII no successor Agent shall have been appointed and shall have accepted such appointment, then on such 30th day (a) the retiring Agent's resignation shall become effective, (b) the retiring Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (c) the Required Lenders shall thereafter perform all duties of the retiring Agent under the Loan Documents until such time, if any, as the Required Lenders appoint a successor Agent that is not an Excluded Lender as provided above. The Borrower shall pay the reasonable and documented out-of-pocket fees of a successor Agent that is not an Excluded Lender and that is not appointed in violation of this paragraph. After an Agent's resignation hereunder, the provisions of this Article VIII and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Each Lender hereby further authorizes the Collateral Agent, on behalf of and for the benefit of Lenders, to enter into each Security Document as secured party and to be the agent for and representative of the Lenders thereunder, and each Lender agrees to be bound by the terms of each Security Document; *provided* that the Collateral Agent shall not (i) enter into or consent to any material amendment, modification, termination or waiver of any provision contained in any Security Document or (ii) release any Collateral (except as otherwise expressly permitted or required pursuant to the terms of this Agreement or the applicable Security Document), in the case of each of clauses (i) and (ii) without the prior consent of Required Lenders (or, if required pursuant to Section 9.08, all Lenders); *provided further*, *however*, that, without further written consent or authorization from the Lenders, the Collateral Agent may execute any documents or instruments necessary to (a) release any Lien encumbering any item of Collateral (1) that is the subject of a sale or other Disposition of assets permitted by this Agreement, the other Loan Documents or to which Required Lenders have otherwise consented or (2) upon the payment in full of the Obligations (other than contingent indemnity claims or expense reimbursement obligations not yet asserted), (b) release any Subsidiary Guarantor from the Guarantee and Collateral Agreement if all of the Equity Interests of such Subsidiary Guarantor are sold or otherwise Disposed of to any Person

(other than an Affiliate of a Loan Party) pursuant to a sale or other Disposition permitted hereunder or under any of the other Loan Documents or to which Required Lenders have otherwise consented or (c) subordinate the Liens of the Collateral Agent, on behalf of the Secured Parties, to any Liens permitted by Section 6.02. Anything contained in any of the Loan Documents to the contrary notwithstanding, Holdings, the Borrower, the Collateral Agent and each Lender hereby agree that (1) no Lender shall have any right individually to realize upon any of the Collateral under or otherwise enforce any Security Document, it being understood and agreed that all powers, rights and remedies under the Security Documents may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (2) in the event of a foreclosure by either on any of the Collateral pursuant to a public or private sale, either Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Collateral Agent, as agent for and representative of Lenders (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Notwithstanding anything to the contrary herein, the Collateral Agent shall be permitted to take any action it is authorized to take under any Loan Document.

In case of the pendency of any case or proceeding under the Bankruptcy Code or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.05, Section 2.13, Section 2.17, and Section 9.05) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.05 and Section 9.05.

ARTICLE IX

Miscellaneous

SECTION 9.01 ***Notices***. Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to Holdings or the Borrower, to them at Blackline Systems, Inc., 21300 Victory Blvd., 12th Floor, Woodland Hills, CA 91367, Attention: Controller (Fax No.: (818 223-9081) and Email:

accounting @blackline.com), with a copy (which shall not constitute notice) to: (a) Silver Lake Sumeru Fund, L.P., 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025, Attention: Jason Babcoke (Fax No.: (650) 234-2526 and Email: Jason.Babcoke@SilverLake.com and (2) Kirkland & Ellis LLP, 555 California Street, San Francisco, CA 94104, Attention: Christopher Kirkham (Fax No.: (415) 439-1500 and Email: christopher.kirkham@kirkland.com);

(ii) if to the Administrative Agent, to Obsidian Agency Services, Inc., c/o Tennenbaum Capital Partners, LLC, 2951 28th Street, Suite 1000, Santa Monica, California 90405, Attention: Asher Finci (Fax No. (310) 889-4950 and Email: asher.finci@tennenbaumcapital.com), with a copy (which shall not constitute notice) to Proskauer Rose LLP, 2049 Century Park East, Suite 3200, Los Angeles, California 90067, Attention: Steven O. Weise and Glen K. Lim (Fax No. (310) 557-2193 and Email: sweise@proskauer.com and glim@proskauer.com); and

(iii) if to a Lender, to it at its address (or fax number) set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service or sent by fax or on the date 5 Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Holdings, the Borrower, the Administrative Agent and the applicable Lenders from time to time, notices and other communications may also be delivered by e-mail to the e-mail address of a representative of the applicable Person provided from time to time by such Person.

SECTION 9.02 ***Survival of Agreement***. All covenants, agreements, representations and warranties made by Holdings or the Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other Obligation (other than contingent indemnity claims or expense reimbursement obligations not yet asserted) payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated. The provisions of Section 2.12, Section 2.13, Section 2.17 and Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03 ***Binding Effect***. This Agreement shall become effective when it shall have been executed by Holdings, the Borrower, the Collateral Agent and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04 ***Successors and Assigns***.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of Holdings, the Borrower, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees (which, for the avoidance of doubt, shall not be any Excluded Lender) all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it), with the prior written consent of the Borrower and the Administrative Agent (not to be unreasonably withheld or delayed); *provided*, *however*, that (i) the consent of the Borrower shall not be required to any such assignment made (A) to another Lender or an Affiliate of a Lender, or (B) after the occurrence and during the continuance of any Designated Event of Default; *provided* that, notwithstanding anything to the contrary in this Agreement, the Borrower shall retain its right to consent in writing to an assignment to any Excluded Lender at all times, (ii) unless otherwise consented to in writing by the Borrower and the Administrative Agent, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to when such assignment is delivered to the Administrative Agent) shall be in an integral multiple of, and not less than, $1,000,000 (or, if less, the entire remaining amount of such Lender's Commitment or Loans), (iii) the parties to each such assignment shall manually execute and deliver to the Administrative Agent an Assignment and Acceptance, together with, unless waived by the Administrative Agent, a processing and recordation fee of $3,500 (*provided* that only one such fee shall be payable in the case of concurrent assignments to Persons that, after giving effect to such assignments, will be Related Funds), and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of, and subject to the requirements of, Section 2.12, Section 2.13, Section 2.17 and Section 9.05).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto (including the Borrower) as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) or delivered pursuant to Section 5.04 and such other documents and information as it has deemed reasonably appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (vi) such assignee appoints and

authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(d) The Administrative Agent shall maintain at its principal executive offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). Absent manifest error, the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and, if required, the written consent of the Administrative Agent and, if required, the Borrower to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) notify the Borrower of such acceptance. The Administrative Agent shall promptly record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e). This Section 9.04(e) shall be construed so that any Commitment, Loan or other Obligation under the Loan Documents is in registered form under Section 5f103-1(c) of the United States Treasury Regulations.

(f) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other Persons (in each case, other than to an Excluded Lender) in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided*, *however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other Persons shall be entitled to the benefit of the cost protection provisions contained in Section 2.12 and Section 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17 and it being understood that the documentation required under Section 2.17 shall be delivered to the participating Lender) to the same extent as if they were Lenders (but, with respect to any particular participant), to no greater extent than the Lender that sold the participation to such participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the participant acquired the applicable participation, (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable to such participating bank or Person hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such participating bank or Person has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such participating bank or Person has an interest, increasing or extending the Commitments in which such participating bank or Person has an interest or releasing any Guarantor (other than in connection with the sale of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the

Collateral) and (v) such bank or other Person shall not be an Excluded Lender. Notwithstanding anything to the contrary, no Lender shall enter into any agreement with any participant that will permit such participant to influence or control the voting rights of such Lender with respect to the Loans or Obligations (and no participant shall have or receive any voting rights with respect to the Loans or Obligations) except with regard to (i) decreases in the principal amount of, or extending the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waiving or excusing any such payment or any part thereof, or decreasing the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than any waiver of any increase in the interest rate applicable to the Loans as a result of the occurrence of an Event of Default and other than any waiver or extension of any mandatory prepayment), (ii) increasing or extending the Commitment or decreasing or extending the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such participant, or (iii) amending or modifying the pro rata requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of Section 9.08(b)(i) - (iii).

(g) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be *prima facie* evidence absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(h) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary and commercially reasonable exceptions) to bound by or preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(i) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(j) Notwithstanding anything to the contrary contained herein, any Lender (a "***Granting Lender***") may grant to a special purpose funding vehicle that is not an Excluded Lender (an "***SPC***"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC

hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in the Loans to the Granting Lender or to any financial institutions that are not Excluded Lenders (consented to by the Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis (upon receiving a signed agreement to be bound to confidentiality provisions similar to those in Section 9.16) any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. A Granting Lender that transfers all or any portion of its Loan to an SPC shall maintain a register that complies with the requirements set forth in Section 9.04(g).

(k) Neither Holdings nor the Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender. Notwithstanding anything to the contrary, any attempted assignment that is not permitted by the terms hereunder shall be absolutely void *ab initio*.

SECTION 9.05 ***Expenses; Indemnity***.

(a) Holdings and the Borrower agree, jointly and severally, to pay all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees (limited to one transactional counsel and one local counsel in each relevant jurisdiction) and reasonable and documented out-of-pocket fees, costs and expenses of accountants, advisors and consultants, incurred by the Administrative Agent, the Collateral Agent and their one counsel in the negotiation, preparation and administration of this Agreement and the other Loan Documents including reasonable and documented out-of-pocket travel costs and costs and expenses (not to exceed $7,500 in any fiscal year of Holdings related to the obtaining and maintenance of credit ratings) or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or relating to efforts to evaluate or assess any Loan Party, its business or financial condition or protect, evaluate, assess or Dispose of any of the Collateral; and all reasonable and documented out-of-pocket costs and expenses, including reasonable and documented attorneys' fees (limited to one transactional counsel and one local counsel in each relevant jurisdiction), fees, costs and expenses of accountants, advisors and consultants and costs of settlement, incurred by the Administrative Agent, the Collateral Agent and Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the other Loan Documents (including in connection with the sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Loan Documents) or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or pursuant to any insolvency or bankruptcy proceedings. Notwithstanding the foregoing, the parties hereto agree that Holdings, the Borrower and the other Loan Parties shall not be required to pay costs and expenses incurred on or prior to the Closing Date in connection with the primary syndication of the Credit Facility and the negotiation, preparation and administration of this Agreement and the other Loan Documents in excess of $300,000.

(b) Holdings and the Borrower agree, jointly and severally, to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and to hold each Indemnitee harmless from, any and all losses (other than lost profits), claims, damages, liabilities and related expenses, including reasonable and documented out-of-pocket counsel fees of one counsel and one local counsel in each relevant jurisdiction, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto or the plaintiff or defendant thereunder (and regardless of whether such matter is initiated by a third party, a Lender, or by Holdings, the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or its Affiliates, (B) result from a successful claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's material obligations hereunder or under any other Loan Document or (C) arise from disputes arising solely among Indemnitees that do not involve any act or omission by any Loan Party or its Affiliates (other than claims, damages, liabilities and related expenses against an Agent acting solely in its capacity as such, but not with respect to any other Person that is party to such dispute with an Agent).

(c) To the extent that Holdings and the Borrower fail to pay any amount required to be paid by them to the Administrative Agent or the Collateral Agent under paragraph (a) or (b) of this Section 9.05(c), each Lender severally agrees to pay to the Administrative Agent or the Collateral Agent, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Collateral Agent in its capacity as such. For purposes hereof, a Lender's "*pro rata* share" shall be determined based upon its share of the sum of the outstanding Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, neither Holdings nor the Borrower shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable within 10 Business Days of demand therefor.

SECTION 9.06 ***Right of Setoff***. If an Event of Default shall have occurred and be continuing, each Secured Party is hereby authorized at any time and from time to time, except to the extent prohibited

by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Secured Party to or for the credit or the account of Holdings or the Borrower against any of and all the obligations of Holdings or the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Secured Party, irrespective of whether or not such Secured Party shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Secured Party under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party may have.

SECTION 9.07 ***Applicable Law***. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

SECTION 9.08 ***Waivers; Amendment***.

(a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or among the parties with respect to the subject matter hereof is superseded by this Agreement and the other the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on Holdings or the Borrower in any case shall entitle Holdings or the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, Holdings and the Required Lenders; *provided*, *however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest or premium on any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest or premium on any Loan, without the prior written consent of each Lender directly adversely affected thereby (other than (x) any waiver of any increase in the interest rate applicable to the Loans as a result of the occurrence of an Event of Default ~~and other than,~~ (y) any waiver or extension of any mandatory prepayment and (z) any waiver of the requirements of Section 2.23(d)(v)), (ii) increase or extend the Commitment or decrease or extend the date for payment of any Fees or premiums of any Lender (other than any waiver or extension of any mandatory prepayment) without the prior written consent of such Lender, (iii) amend or modify the *pro rata* requirements of Section 2.14, the provisions of Section 9.04(k) or the provisions of this Section 9.08(b) or release any Guarantor (other than in connection with the sale or other disposition of such Guarantor in a transaction permitted by Section 6.05) or all or substantially all of the Collateral, without the prior written consent of each Lender, (iv) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(j) without the written consent of such SPC, (v) without the written consent of the Required RL Lenders, amend, modify or waive any condition precedent set forth in Section 4.02 or amend the definition of "Required RL Lenders" or (vi) reduce the percentage contained in the definition of the term "Required Lenders" without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination

of the Required Lenders on substantially the same basis as the Commitments on the date hereof); *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent.

SECTION 9.09 ***Interest Rate Limitation***. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10 ***Entire Agreement***. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11 ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12 ***Severability***. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13 ***Counterparts***. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in

Section 9.03. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic means shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14 ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15 ***Jurisdiction; Consent to Service of Process***.

(a) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court located in the City of New York, Borough of Manhattan, or of the United States of America sitting in the Southern District of New York. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16 ***Confidentiality***. Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, but only to the extent required or desirable in connection with such exercise or enforcement, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) to the extent not an Excluded Lender, any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Holdings, the Borrower or any Subsidiary or any of their respective obligations, (f) with the written consent of the Borrower or (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16 by any

Agent, any Lender or any of their Related Parties. For the purposes of this Section 9.16, "Information" shall mean all information received from Holdings, the Borrower or any Subsidiary and related to Holdings, the Borrower or any Subsidiary or their business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by Holdings, the Borrower or any Subsidiary; *provided* that with respect to clause (c) above, if the Administrative Agent, the Collateral Agent or any Lender receives a subpoena, interrogatory or other request (verbal or otherwise) for any Information, or believes that it is legally required to disclose any of the Information to a third party, it shall, in advance of such disclosure, to the extent practicable and legally permissible, promptly provide to the Borrower written notice of any such request or requirement so that Borrower or the applicable Loan Party (or Subsidiary thereof) may seek a protective order or other remedy; *provided*, *further*, that it shall (1) exercise reasonable efforts to preserve the confidentiality of such Information, (2) to the extent legally permissible and practicable, use commercially reasonable efforts to provide Borrower, in advance of such disclosure, with copies of any Information it intends to disclose (and, if applicable, the text of the disclosure language itself), and (3) reasonably cooperate at the reasonable cost and expense of the Borrower with the Borrower or applicable Loan Party (or Subsidiary thereof) to the extent Borrower or such Loan Party (or Subsidiary thereof) seeks to limit such disclosures. Notwithstanding anything to the contrary herein or in any other Loan Document or otherwise, each of the Administrative Agent, the Collateral Agent and the Lenders agrees not to disclose any Information to any Excluded Lender under any circumstance. Except with respect to disclosing any Information to an Excluded Lender, any Person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information.

SECTION 9.17 ***USA PATRIOT Act Notice***. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Holdings, the Borrower and the Subsidiary Guarantors that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Holdings, the Borrower and the Subsidiary Guarantors, which information includes the name and address of Holdings, the Borrower and the Subsidiary Guarantors and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Holdings, the Borrower and the Subsidiary Guarantors in accordance with the USA PATRIOT Act.

[Signature pages follow]

EXHIBIT B

EXHIBIT A

FORM OF NOTICE OF BORROWING

,

Obsidian Agency Services, Inc.,
as Administrative Agent under the
Credit Agreement referred to below
c/o Tennenbaum Capital Partners, LLC
2951 28th Street, Suite 1000
Santa Monica, CA 90405
Attention: Asher Finci
Fax: (310) 889-4950

Re: BLACKLINE SYSTEMS, INC.

Reference is made to that certain Credit Agreement, dated as of September 25, 2013 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), by and among BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***"), SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the lenders from time to time party thereto (the "***Lenders***"), and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.02(c) of the Credit Agreement that the undersigned hereby requests a borrowing of 2016 Acquisition Term Loans (the "***Proposed Borrowing***") under the Credit Agreement and, in connection therewith, sets forth below the information relating to the Proposed Borrowing as required by Section 2.02(c) of the Credit Agreement:

(a) The date of the Proposed Borrowing is the Third Amendment Effective Date.

(b) The aggregate principal amount of the Proposed Borrowing is $30,000,000.

At the time of the Proposed Borrowing and also after giving effect thereto, (i) there is no Default or Event of Default and (ii) all representations and warranties contained in Article III of the Credit Agreement are true and correct in all material respects (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); *provided*, that, if a representation and warranty is qualified as to materiality, the materiality qualifier set forth above shall be disregarded with respect to such representation and warranty for purposes of this condition.

At the time of the Proposed Borrowing, no injunction or other restraining order has been issued and no hearing by any Person (other than any Secured Party or any Affiliate of a Secured Party) to cause an injunction or other restraining order to be issued is pending with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the making of the Proposed Borrowing on the Third Amendment Effective Date. Delivery of an executed counterpart of this Notice of Borrowing by facsimile or other electronic means (*e.g.*, "pdf" or "tif") shall be effective as delivery of an original executed counterpart of this Notice of Borrowing.

[Remainder of page intentionally left blank]

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO NOTICE OF BORROWING]

EXHIBIT C

EXHIBIT B

[FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS TERM NOTE WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT." BLACKLINE SYSTEMS, INC. WILL PROMPTLY MAKE AVAILABLE TO THE HOLDER HEREOF INFORMATION REGARDING THE ISSUE PRICE, ISSUE DATE, YIELD TO MATURITY, AMOUNT OF ORIGINAL ISSUE DISCOUNT (AND ANY OTHER INFORMATION REQUIRED TO BE MADE AVAILABLE TO THE HOLDER PURSUANT TO U.S. TREASURY REGULATIONS), UPON THE WRITTEN REQUEST OF SUCH HOLDER DIRECTED TO BLACKLINE SYSTEMS, INC., 21300 VICTORY BLVD., 12TH FLOOR, WOODLAND HILLS, CA 91367.][1]

FORM OF TERM NOTE

$[●] [ ], [ ]

FOR VALUE RECEIVED, the undersigned, BLACKLINE SYSTEMS, INC., a California corporation (the "***Borrower***", together with all successors and assigns), promises to pay (hereinafter, together with its successors in title and permitted assigns, the "***Lender***"), the principal sum of [●] ($[●]), or such lesser amount as is outstanding from time to time, on the dates and in the amounts set forth in the Credit Agreement (as hereafter defined), with interest, fees, expenses and costs at the rate and payable in the manner stated in the Credit Agreement. As used herein, the "***Credit Agreement***" means and refers to that certain Credit Agreement, dated as of September 25, 2013 (as such may be amended, restated, supplemented or otherwise modified from time to time) by and among the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent for the Lenders. Capitalized terms used herein and not otherwise defined herein are used herein as defined in the Credit Agreement.

This Term Note is a "Term Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The Term Loans evidenced by this Term Note are [Initial Term Loans][2016 Term Loans][2016 Acquisition Term Loans][Incremental Loans]. This Term Note is also entitled to the benefits of the Guarantee and Collateral Agreement and is secured by the Collateral. The principal of, and interest on, this Term Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. The Administrative Agent's books and records concerning the Term Loans covered by this Term Note, the accrual of interest and fees thereon and the repayment of such Term Loans shall be prima facie evidence of the indebtedness to the Lender hereunder, absent manifest error.

No delay or omission by the Administrative Agent, the Collateral Agent or the Lender in exercising or enforcing any of the Administrative Agent's, the Collateral Agent's or the Lender's powers, rights, privileges, remedies or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver.

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[1] To be included only for Term Notes evidencing Initial Term Loans, 2016 Term Loans and 2016 Acquisition Term Loans.

The Borrower waives presentment, demand, notice and protest, and also waives any delay on the part of the holder hereof. The Borrower assents to any extension or other indulgence (including, without limitation, the release or substitution of Collateral) permitted by the Administrative Agent, the Collateral Agent and/or the Lender with respect to this Term Note and/or any Security Document or any extension or other indulgence with respect to any other liability or any collateral given under the Loan Documents to secure any other liability of the Borrower or any other Person obligated on account of this Term Note.

This Term Note shall be binding upon the Borrower and upon its permitted successors, assigns, and representatives, and shall inure to the benefit of the Lender and its permitted successors, endorsees and assigns. There are certain restrictions on the assignment and transfer of this Term Note and the obligations evidenced by this Term Note in the Credit Agreement (including, without limitation, in Section 9.04 of the Credit Agreement).

Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Term Note or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the Borrower and, by its acceptance hereof, the Lender, agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Term Note shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Term Note or the other Loan Documents against Holdings, the Borrower, or their respective properties in the courts of any jurisdiction. Each of the Borrower and, by its acceptance hereof, the Lender, irrevocably and unconditionally waives, to the fullest extent that it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Term Note in any court located in the City of New York, Borough of Manhattan, or the United States of America sitting in the Southern District of New York. Each of the Borrower and, by its acceptance hereof, the Lender, hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

THIS TERM NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

Each of the Borrower and, by its acceptance hereof, the Lender, makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Administrative Agent and the Lender or the Borrower, as applicable, are each relying thereon. EACH OF THE BORROWER AND THE LENDER BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS TERM NOTE.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the undersigned has caused this Term Note to be duly executed and delivered by its duly authorized officer as of the date first above written.

BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE TO FORM OF TERM NOTE]

[INITIAL TERM][2016 TERM][2016 ACQUISITION TERM][INCREMENTAL] LOANS AND PAYMENTS

Date	Amount of [Initial Term] [2016 Term] [2016 Acquisition Term] [Incremental] Loan	Maturity Date	Payments of Principal/Interest	Principal Balance of Term Note	Name of Person Making this Notation

EXHIBIT D

FORM OF ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this "***Assignment and Acceptance***") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "***Assignor***") and [the][each][2] Assignee identified in item 2 below ([the][each, an] "***Assignee***"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and[the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "***Assigned Interest***"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty (express or implied) by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

   _____

   [for each Assignee *identify Lender*]

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

3. Borrower: BLACKLINE SYSTEMS, INC.

4. Administrative Agent: Obsidian Agency Services, Inc., including any successor thereto, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Credit Agreement, dated as of September 25, 2013, among BLACKLINE SYSTEMS, INC., a California corporation, as the Borrower, SLS BREEZE INTERMEDIATE HOLDINGS, INC., a Delaware corporation, as Holdings, the Lenders from time to time party thereto, and OBSIDIAN AGENCY SERVICES, INC., as the Administrative Agent and as Collateral Agent for the Lenders.

6. Assigned Interest:

a. Initial Term Loans

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Initial Term Loans for all Lenders[7]	Amount of Initial Term Loans Assigned	Percentage Assigned of Initial Term Loans[8]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

b. 2016 Term Loans

Assignor[s][9]	Assignee[s][10]	Aggregate Amount of 2016 Term Loans for all Lenders[11]	Amount of 2016 Term Loans Assigned	Percentage Assigned of 2016 Term Loans[12]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

5 List each Assignor, as appropriate.
6 List each Assignee, as appropriate.
7 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
8 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.
9 List each Assignor, as appropriate.
10 List each Assignee, as appropriate.
11 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
12 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

c. 2016 Acquisition Term Loans

Assignor[s][13]	Assignee[s][14]	Aggregate Amount of 2016 Acquisition Term Loans for all Lenders[15]	Amount of 2016 Acquisition Term Loans Assigned	Percentage Assigned of 2016 Acquisition Term Loans[16]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

[d. Incremental Term Loans

Assignor[s][17]	Assignee[s][18]	Aggregate Amount of Incremental Term Loans for all Lenders[19]	Amount of Incremental Term Loans Assigned	Percentage Assigned of Incremental Term Loans[20]	CUSIP Number]
		$	$	%	
		$	$	%	
		$	$	%	

[d.][e.] Revolving Commitments

Assignor[s][21]	Assignee[s][22]	Aggregate Amount of Revolving Loan Commitments for all Lenders[23]	Amount of Revolving Loan Commitments Assigned	Percentage Assigned of Revolving Loan Commitments[24]	CUSIP Number
		$	$	%	
		$	$	%	
		$	$	%	

13 List each Assignor, as appropriate.

14 List each Assignee, as appropriate.

15 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

16 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

17 List each Assignor, as appropriate.

18 List each Assignee, as appropriate.

19 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

20 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

21 List each Assignor, as appropriate.

22 List each Assignee, as appropriate.

23 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

24 Set forth, to at least 9 decimals, as a percentage of the Loans of all Lenders thereunder.

[7. Trade Date: [25]

Effective Date: , 20 [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[Remainder of page intentionally left blank]

[25] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][26] Accepted:

OBSIDIAN AGENCY SERVICES, INC., as Administrative Agent

By: _____
Name:
Title:

[Consented to: BLACKLINE SYSTEMS, INC.

By: _____
Name:
Title:][27]

[SIGNATURE PAGE TO ASSIGNMENT AND ACCEPTANCE]

26 Administrative Agent's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.
27 Borrower's signature to be provided only to the extent required by Section 9.04 of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR

ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim; and (b) except as set forth in (a) above, makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement, or the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of its obligations under the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant to the Credit Agreement.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it is legally authorized to enter into such Assignment and Acceptance; (ii) it meets all the requirements to be an assignee under Section 9.04(b) and (c) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.04(b) of the Credit Agreement); (iii) from and after the Effective Date referred to in this Assignment and Acceptance, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder; (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type; (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest and (vi) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, including but not limited to any documentation required pursuant to Section 2.17 of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements referred to in Section 3.05(a) and Section 3.05(b) of the Credit Agreement or delivered pursuant to Section 5.04 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (d) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms of the Credit Agreement, together with such powers as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts (and by different parties hereto indifferent counterparts), each of which shall constitute an original, but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by facsimile or other electronic imaging means (*e.g.*, "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the internal laws of the State of New York.

4. Eligible Assignee. Each Person who becomes a Lender under the Credit Agreement is required to meet the requirements of Section 9.04 of the Credit Agreement and to be an "Eligible Assignee". [The][Each] Assignor and [the][each] Assignee represent and warrant that they have each taken the necessary actions to confirm that [the][each] Assignee meets the requirements to be an "Eligible Assignee" under the Credit Agreement and the assignment evidence by the Assignment and Acceptance is in accordance with all provisions of the Credit Agreement, including, without limitation, Section 9.04 of the Credit Agreement.

EXHIBIT E

EXHIBIT G

FORM OF SOLVENCY CERTIFICATE
of
BLACKLINE INTERMEDIATE, INC.
AND ITS SUBSIDIARIES

This Solvency Certificate is being executed and delivered on the date hereof pursuant to Section 4(a)(ii) of the Third Amendment to Credit Agreement (the "***Amendment***"), dated as of the date hereof among BLACKLINE SYSTEMS, INC., a California corporation, BLACKLINE INTERMEDIATE, INC. (formerly known as SLS BREEZE INTERMEDIATE HOLDINGS, INC.), a Delaware corporation ("***Holdings***"), the lenders from time to time party thereto (the "***Lenders***") and OBSIDIAN AGENCY SERVICES, INC., as the administrative agent (in such capacity, including any successor thereto, the "***Administrative Agent***") and as collateral agent (in such capacity, including any successor thereto, the "***Collateral Agent***"), amending that certain Credit Agreement dated as of September 25, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "***Credit Agreement***"), among Borrower, Holdings, the lenders party thereto, the Administrative Agent and the Collateral Agent.

The undersigned hereby certifies, solely in his capacity as Chief Financial Officer of Holdings, as follows:

As of the date hereof, after giving effect to the transactions contemplated by the Amendment and the Credit Agreement, including the making of the 2016 Acquisition Term Loans, and after giving effect to the application of the proceeds of the 2016 Acquisition Term Loans:

a. The fair value of the assets of Holdings and its Subsidiaries, on a consolidated basis, at a fair valuation, exceeds, their debts and liabilities, subordinated, contingent or otherwise;

b. The present fair saleable value of the property of Holdings and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

c. Holdings and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and

d. Holdings and its Subsidiaries, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Third Amendment Effective Date.

For purposes of this Solvency Certificate, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate in such undersigned's capacity as chief financial officer of Holdings and its subsidiaries, on behalf of Holdings and its subsidiaries, and not individually, as of the date first stated above.

BLACKLINE INTERMEDIATE, INC.

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO SOLVENCY CERTIFICATE]

EXHIBIT F

Schedule 2.01 – Lenders and Commitments

Revolving Loan Commitments

RL Lender	Address	Revolving Loan Commitment
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 3,740,692.60
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 758,618.90
Tennenbaum Senior Loan Operating III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 348,964.70
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 151,723.80
Total		**$ 5,000,000.00**

Initial Term Loan Commitments

Initial Term Loan Lender	Address	Initial Term Loan Commitment on the Closing Date	Initial Term Loan Principal Outstanding as of Third Amendment Effective Date
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 12,327,311.00	$15,115,023.33
Tennenbaum Opportunities Fund VI, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 8,522,689.00	$ 3,065,352.87
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 2,500,000.00	$ 1,410,062.33
Tennenbaum Senior Loan Operating III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 1,150,000.00	$ 613,070.58
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 500,000.00	$10,450,019.72
Total		**$ 25,000,000.00**	**$30,653,528.83**

2016 Term Loan Commitments

2016 Term Loan Lender	Address	2016 Term Loan Commitment on the Second Amendment Effective Date	2016 Term Loan Principal Outstanding as of the Third Amendment Effective Date
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 3,740,692.60	$ 3,809,896.02
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 758,618.90	$ 772,653.49
Tennenbaum Senior Loan Funding III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 348,964.70	$ 355,420.61
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 151,723.80	$ 154,530.70
Total		**$ 5,000,000.00**	**$ 5,092,500.82**

2016 Acquisition Term Loan Commitments

2016 Term Loan Lender	Address	2016 Term Loan Commitment
Special Value Continuation Partners, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 19,554,148.00
Tennenbaum Senior Loan Fund II, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 6,778,937.00
Tennenbaum Senior Loan Funding III, LLC	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 2,234,517.00
Tennenbaum Senior Loan Fund IV-B, LP	c/o Tennenbaum Capital Partners, LLC 2951 28th Street, Suite 1000 Santa Monica, CA 90405	$ 1,432,398.00
Total		**$ 30,000,000.00**

EXHIBIT G

Schedule 3.07(a) – Subsidiaries

Current Legal Entities Owned (Directly)	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
BlackLine Systems, Inc.	BlackLine Intermediate, Inc.	001	1,000	100%/100%
BlackLine Systems Pty Ltd (Australia)	BlackLine Systems, Inc.	002	100	100%/100%
Blackline Systems Limited (UK)	BlackLine Systems, Inc.	002	100	100%/100%
BlackLine Systems, Ltd. (British Columbia, Canada)	BlackLine Systems, Inc.	CA2	65	100%/65%
BlackLine Systems SARL (France)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems Pte. Ltd. (Singapore)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems GmbH	BlackLine Systems, Inc.	—	25,000	100%/100%
BlackLine CV, LLC	BlackLine Systems, Inc.	—	—	100%/65%
BlackLine, C.V.	BlackLine Systems, Inc.	—	—	99.9%/65%
BlackLine, C.V.	BlackLine CV, LLC	—	—	0.1%/0%
BlackLine Coop, LLC	BlackLine, C.V.	—	—	100%/0%
BlackLine Coöperatief U.A.	BlackLine, C.V.	—	—	99.9%/0%
BlackLine Coöperatief U.A.	BlackLine Coop, LLC	—	—	0.1%/0%

The following are not included as of the Third Amended Effective Date but will be accurate immediately after the consummation of the Runbook Acquisition.

Current Legal Entities Owned (Directly)	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
Runbook Company B.V.	BlackLine Coöperatief U.A.	—	—	100%/0%
Runbook Company Inc.	Runbook Company B.V	—	—	100%/0%
Runbook IP BV	Runbook Company B.V	—	—	100%/0%
Runbook International BV	Runbook Company B.V	—	—	100%/0%
PE	Runbook International BV	—	—	100%/0%

EXHIBIT H

Schedule 3.08 – Litigation

None.

EXHIBIT I

Schedule 3.19(a) – Owned Real Property

None.

EXHIBIT J

Schedule 3.19(b) – Leased Real Property

21300 Victory Boulevard, Suites 1000, 1100 and 1200, Woodland Hills, California 91367

Level 26, Market Street 44, Sydney, NSW 2000, Australia

Level 40, 140 William Street, Melbourne VIC 3000

The Connection, 198 High Holborn 3rd Floor London, WC1V 7BD

Guinness Towers, Suite 1850, Vancouver, BC Canada

- The Company has entered into office service agreements for the following locations:

  WeWork, 205 E 42nd Street, New York, NY 10017

  Regus Properties, 12600 Deerfield Pkwy, Suite 1000, Atlanta, GA;

  WeWork, 220 NW 8th Ave Portland, OR 97209 Portland, OR;

  Regus Properties, 875 N. Michigan Ave., #3184AC, Chicago, IL;

  Regus Properties, 900-1021 West Hastings Street, Vancouver, BC V6E DC3 Canada;

  ServCorp, Level 39, Marina Bay Financial Center TowerTwo, 10 Marina Blvd., Singapore 018983;

  Regus Properties, The Square 12 Am Flughafen Frankfurt Hessen 60549 Germany;

  Multiburo, 60 Avenue de Charles de Gaullie 92000 Neuilly-sur-Seine France;

  ServCorp, Level 23, NU Tower 2 Jalan Tun Sambanthan 50470 Kuala Lumpar, Malaysia

  2 Sandton Drive Sandton, South Africa, 2196

EXHIBIT K

Schedule 3.26 – Deposit Accounts and Securities Accounts

Account Holder	Names and Address	Account Type	Number
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	ZBA	###
BlackLine Systems, Inc.	Wells Fargo Bank P.O. Bank 6995 Portland, OR 97228	Checking	###
BlackLine Systems, Inc.	Westpac Banking Corporation Level 31, 275 Kent Street Sydney, NSW 2000	Checking	###
BlackLine Systems, Inc.	National Westminster Bank City of London Office P.O. Box 12258 1 Princes Street London EC2R 8PA	Checking	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Operating	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Money Market Collateral	###
BlackLine Systems, Inc.	Silicon Valley Bank 3003 Tasman Drive Santa Clara, CA 95054	Cash Sweep	###
BlackLine Systems, Inc.	Bank of Montreal 100 King Street W Main Floor Toronto, ON M5X1A3	Checking	###
BlackLine Systems, Inc.	KBC Bank NV Paris France Branch Synergie Park – 6 rue Nicolas Appert CS 40041 Lezennes F-59030 LILLE	Checking	###
BlackLine Systems, Inc.	**Unicredit Bank** Niederlassung Berlin Nordost 8296 EUBT / Tech Team 10625 Berlin	Checking	###

EXHIBIT L

Schedule 3.28(a) – Intellectual Property

Registered Trademarks:

Jurisdiction	Registered Owner	Mark	Registration No. (Application No.)
U.S. –Federal	Blackline Systems, Inc.	It's Accounted For	4588721
U.S. –Federal	Blackline Systems, Inc.	No More Bullsheet	4084274
U.S. –Federal	Blackline Systems, Inc.	Design Mark	4022105
U.S. –Federal	Blackline Systems, Inc.	Blackline Systems & Design Mark	4360338
U.S. –Federal	Blackline Systems, Inc.	Trust is in the Balance	86924004
U.S. –Federal	Blackline Systems, Inc.	BlackLine Insights	86807263
U.S. –Federal	Blackline Systems, Inc.	Intercompany Hub	86559885
U.S. – Federal	Blackline Systems, Inc.	Blackline Intercompany Hub	4831824
U.S. – Federal	Blackline Systems, Inc.	Blackline & Design Mark	4772480
U.S. – Federal	Blackline Systems, Inc.	Blackline Systems	4528372
U.S. – Federal	Blackline Systems, Inc.	Blackline	4528373
E.U.	Blackline Systems, Inc.	Blackline	10322709
E.U.	Blackline Systems, Inc.	No More Bullsheet	12093852
E.U.	Blackline Systems, Inc.	Intercompany Hub	13848833
E.U.	Blackline Systems, Inc.	BlackLine Insights	15185713
E.U.	Blackline Systems, Inc.	Trust is in the Balance	15185747
E.U.	Blackline Systems, Inc.	Blackline Systems	10322758
Australia	Blackline Systems, Inc.	Blackline	1453761
Australia	Blackline Systems, Inc.	Blackline Insights	1756864
Australia	Blackline Systems, Inc.	Trust is in the Balance	1756865
Australia	Blackline Systems, Inc.	Intercompany Hub	1681938
Australia	Blackline Systems, Inc.	BlackLine Intercompany Hub	1757066
Australia	Blackline Systems, Inc.	Blackline Systems	1453766

Patent Application.

Patent Application: Computing system including dynamic performance profile adaptation functionality.
Application Number: 62/214/180
Application Date: September 3, 2015
Inventors: Joshua Rhodes, Addam Driver, Ryan Regalado
Chain of Title: Assignment included

BlackLine intends on submitting a full patent application in September 2016.

ABSTRACT

The present design is directed to a computer networking system including a client device and a server device having a server profiler module and an observer module, wherein the server profiler module maintains a server profile and profiles for at least one client device and the observer module is configured to receive client device performance information from the client device and server device performance information and determine and implement performance parameter alterations based on client device performance information and server device performance information received.

Registered Domain Names

ACCOUNTINGJOURNALENTRY.com
ACCOUNTINGBALANCESHEET.com
BALANCESHEETRECONCILIATIONS.COM
BLACKLINE.INFO
BLACKLINESOFTWARE.COM
CREDITCARDRECONCILIATIONS.com
FASTERMONTHENDCLOSE.com
FINANCIALCLOSESOFTWARE.com
FINANCIALCLOSESOFTWARE.com
FINANCIALCLOSESUITE.com
FLUXANALYSIS.com
GENERALLEDGERRECONCILIATION.com
LEDGERRECONCILIATION.com
THEFINANCIALCLOSESUITE.com
RECWIZARDONDEMAND.COM
INTEGRATEDFINANCIALAUTOMATION.DE
INTEGRATEDFINANCIALAUTOMATION.NL
INTEGRATEDFINANCIALAUTOMATION.CO.UK
INTEGRATEDFINANCIALAUTOMATION.COM
INTEGRATEDFINANCIALAUTOMATION.COM.AU
INTEGRATEDFINANCIALAUTOMATION.ES
INTEGRATEDFINANCIALAUTOMATION.INFO
INTEGRATEDFINANCIALAUTOMATION.NET
INTEGRATEDFINANCIALAUTOMATION.ORG
INTEGRATEDFINANCIALAUTOMATION.SOLUTIONS
INTEGRATEDFINANCIALAUTOMATION.TECHNOLOGY
INTEGRATEDFINANCIALAUTOMATION.UK
INTEGRATEDFINANCIALAUTOMATION.FR
MODERNFINANCETODAY.COM
BLACKLINE.FR
MODERNFINANCETOUR.COM
BLACKLINEPLATFORM.COM
BLACKLINEPLATFORM.INFO
BLACKLINEPLATFORM.NET
BLACKLINEPLATFORM.ORG
BLOSABA.COM
ACCOUNT-RECONCILIATION.COM
ACCOUNT-RECONCILIATIONS.COM
ACCOUNTRECONCILIATIONS.COM
ACCT-REC.COM
ACCT-RECS.COM
BLACKLINE.COM
BLACKLINEONDEMAND.COM
BLACKLINESOLUTIONS.COM
BLACKLINESYSTEMS.COM
BLACKLINETECH.COM
BLACKLINETECHNOLOGIES.COM
MYBLACKLINE.COM
NOMOREBULLSHEET.COM
NOMOREBULLSHEETS.COM
continuousaccounting.com

continuousaccounting.co.uk

continuousaccounting.de

countinuousaccounting.fr

blackline.uk

blacklinesystems.co.uk

blacklinesystems.de

blacklinesystems.uk

blacklinemag.com

blacklinemagazine.com

EXHIBIT M

Schedule II – Equity Interests and Pledged Debt Securities

Equity Interests:

Current Legal Entities Owned (Directly)	Record Owner	Cert. Number	Shares	Percentage Owned/Pledged
BlackLine Systems, Inc.	BlackLine Intermediate, Inc.	001	1,000	100%/100%
BlackLine Systems Pty Ltd (Australia)	BlackLine Systems, Inc.	002	100	100%/100%
Blackline Systems Limited (UK)	BlackLine Systems, Inc.	002	100	100%/100%
BlackLine Systems, Ltd. (British Columbia, Canada)	BlackLine Systems, Inc.	CA2	65	100%/65%
BlackLine Systems SARL (France)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems Pte. Ltd. (Singapore)	BlackLine Systems, Inc.	—	100	100%/100%
BlackLine Systems GmbH	BlackLine Systems, Inc.	—	25,000	100%/100%
BlackLine CV, LLC	BlackLine Systems, Inc.	—	—	100%/65%
BlackLine, C.V.	BlackLine Systems, Inc.	—	—	99.9%/65%
BlackLine, C.V.	BlackLine CV, LLC	—	—	0.1%/0%

Pledged Debt Securities:

None

EXHIBIT N

Schedule III – Intellectual Property

See Exhibit L

BLACKLINE, INC.
SLS BREEZE HOLDINGS, INC.
2014 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: March 3, 2014
APPROVED BY THE STOCKHOLDERS: March 3, 2014
TERMINATION DATE: March 2, 2024

1. GENERAL.

(a) Eligible Stock Award Recipients. The persons eligible to receive Stock Awards are Employees, Directors and Consultants.

(b) Available Stock Awards. The Plan provides for the grant of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, and (v) Restricted Stock Unit Awards.

(c) Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive Stock Awards as set forth in Section 1(a), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Stock Awards.

2. ADMINISTRATION.

(a) Administration by Board. The Board shall administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (A) which of the persons eligible under the Plan shall be granted Stock Awards; (B) when and how each Stock Award shall be granted; (C) what type or combination of types of Stock Award shall be granted; (D) the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive cash or Common Stock pursuant to a Stock Award; (E) the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan or Stock Award fully effective.

(iii) To settle all controversies regarding the Plan and Stock Awards granted under it.

(iv) To accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(v) To suspend or terminate the Plan at any time. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Stock Awards granted under the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 9(a) relating to Capitalization Adjustments, to the extent required by applicable law, stockholder approval shall be required for any amendment of the Plan that either (A) increases the number of shares of Common Stock available for issuance under the Plan, (B) expands the class of individuals eligible to receive Stock Awards under the Plan, or (C) extends the term of the Plan. Except as provided above, rights under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Incentive Stock Options.

(viii) To approve forms of Stock Award Agreements for use under the Plan and to amend the terms of any one or more Stock Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Stock Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however,* that, the rights under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participant's consent, the Board may amend the terms of any one or more Stock Awards if necessary to maintain the qualified status of the Stock Award as an Incentive Stock Option or to bring the Stock Award into compliance with Section 409A of the Code.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Stock Awards.

(x) To effect, at any time and from time to time, with the consent of any adversely affected Participant, (A) the reduction of the exercise price (or strike price) of any outstanding Option or Stock Appreciation Right under the Plan, (B) the cancellation of any outstanding Option or Stock Appreciation Right under the Plan and the grant in substitution therefore of (1) a new Option or Stock Appreciation Right under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (2) a Restricted Stock Award, (3) a Restricted Stock Unit Award, (4) cash and/or (5) other valuable consideration (as determined by the Board, in its sole discretion), or (C) any other action that is treated as a repricing under generally accepted accounting principles; *provided, however*, that no such reduction or cancellation may be effected if it is determined, in the Company's sole discretion, that such reduction or cancellation would result in any such outstanding Option becoming subject to the requirements of Section 409A of the Code.

(c) Delegation to Committee. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(d) Delegation to an Officer. The Board may delegate to one or more Officers of the Company the authority to do one or both of the following: (i) designate Officers and Employees of the Company or any of its Subsidiaries to be recipients of Options and Stock Appreciation Rights (and, to the extent permitted by applicable law, other Stock Awards) and the terms thereof, and (ii) determine the number of shares of Common

Stock to be subject to such Stock Awards granted to such Officers and Employees; *provided, however,* that the Board resolutions regarding such delegation shall specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Notwithstanding the foregoing, the Board may not delegate authority to an Officer to determine the Fair Market Value pursuant to Section 13(s) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards beginning on the Effective Date shall not exceed 25,000,000 shares (the ***"Share Reserve"***). Furthermore, if a Stock Award (i) expires or otherwise terminates without having been exercised in full or (ii) is settled in cash (*i.e.*, the holder of the Stock Award receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. For clarity, the limitation in this Section 3(a) is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

(b) Reversion of Shares to the Share Reserve. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares which are forfeited shall revert to and again become available for issuance under the Plan. Also, any shares reacquired by the Company pursuant to Section 8(g) or as consideration for the exercise of an Option shall again become available for issuance under the Plan. Notwithstanding the provisions of this Section 3(b), any such shares shall not be subsequently issued pursuant to the exercise of Incentive Stock Options. With respect to Stock Appreciation Rights, only shares of Common Stock actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan and all remaining shares under Stock Appreciation Rights will remain available for future grant under the Plan.

(c) Incentive Stock Option Limit. Notwithstanding anything to the contrary in this Section 3(c), subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options shall be 25,000,000 shares of Common Stock.

(d) Source of Shares. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided*, *however*, Nonstatutory Stock Options and Stock Appreciation Rights may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405, unless the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code because the Stock Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

(c) Consultants. A Consultant shall not be eligible for the grant of a Stock Award if, at the time of grant, either the offer or the sale of the Company's securities to such Consultant is not exempt under Rule 701 because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions**.**

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or Stock Appreciation Right shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, then the Option shall be a Nonstatutory Stock Option. The provisions of separate Options or Stock Appreciation Rights need not be identical; *provided*, *however*, that each Option Agreement or Stock Appreciation Right Agreement shall conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or Stock Appreciation Right shall be exercisable after the expiration of ten (10) years from the date of its grant or such shorter period specified in the Stock Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Incentive Stock Options granted to Ten Percent Stockholders, the exercise price (or strike price) of each Option or Stock Appreciation Right shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option or Stock Appreciation Right on the date the Option or Stock Appreciation Right is granted. Notwithstanding the foregoing, an Option or Stock Appreciation Right may be granted with an exercise price (or strike price) lower than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option or Stock Appreciation Right if such Option or Stock Appreciation Right is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Change in Control and in a manner consistent with the provisions of Sections 409A and 424(a) of the Code (whether or not such Stock Awards are Incentive Stock Options). Each Stock Appreciation Right will be denominated in shares of Common Stock equivalents.

(c) Consideration for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option shall be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board shall have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however,* that the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; *provided, further,* that shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are reduced to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations;

(v) according to a deferred payment or similar arrangement with the Optionholder; *provided, however*, that interest shall **compound** at least annually and shall be charged at the minimum rate of interest necessary to avoid (A) the imputation of interest income to the Company and compensation income to the Optionholder under any applicable provisions of the Code, and (B) the classification of the Option as a liability for financial accounting purposes; or

(vi) in any other form of legal consideration that may be acceptable to the Board.

(d) Exercise and Payment of a Stock Appreciation Right. To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right. The appreciation distribution payable on the exercise of a Stock Appreciation Right will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such Stock Appreciation Right, and with respect to which the Participant is exercising the Stock Appreciation Right on such date, over (B) the strike price that will be determined by the Board at the time of grant of the Stock Appreciation Right. The appreciation distribution in respect to a Stock Appreciation Right may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right.

(e) Transferability of Options and Stock Appreciation Rights. The Board may, in its sole discretion, impose such limitations on the transferability of Options and Stock Appreciation Rights as the Board shall determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and Stock Appreciation Rights shall apply:

(i) Restrictions on Transfer. An Option or Stock Appreciation Right shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant; *provided, however*, that the Board may, in its sole discretion, permit transfer of the Option or Stock Appreciation Right to such extent as permitted by Rule 701 and in a manner consistent with applicable tax and securities laws upon the Participant's request.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, an Option or Stock Appreciation Right may be transferred pursuant to a domestic relations order; *provided, however,* that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, the Participant may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company and any broker designated by the Company to effect Option exercises, designate a third party who, in the event of the death of the Participant, shall thereafter be entitled to exercise the Option or Stock Appreciation Right and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, the executor or administrator of the Participant's estate shall be entitled to exercise the Option or Stock Appreciation Right and receive the Common Stock or other consideration resulting from such exercise.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or Stock Appreciation Right may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or Stock Appreciation Right may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of performance goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or Stock Appreciation Rights may vary. The provisions of this Section 5(f) are subject to any Option or Stock Appreciation Right provisions governing the minimum number of shares of Common Stock as to which an Option or Stock Appreciation Right may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death or Disability), the Participant may exercise his or her Option or Stock Appreciation Right (to the extent that the Participant was entitled to exercise such Stock Award as of the date of termination of Continuous Service) but only within such period of time ending on the earlier of (i) the date sixty (60) days following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than thirty (30) days if necessary to comply with applicable state laws) or (ii) the expiration of the term of the Option or Stock Appreciation Right as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or Stock Appreciation Right within the time specified herein or in the Stock Award Agreement (as applicable), the Option or Stock Appreciation Right shall terminate.

(h) Extension of Termination Date. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if the exercise of an Option or Stock Appreciation Right following the termination of the Participant's Continuous Service (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or Stock Appreciation Right shall terminate on the earlier of (i) the expiration of a period of three (3) months after the termination of the Participant's Continuous Service during which the exercise of the Option or Stock Appreciation Right would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option or Stock Appreciation Right as set forth in the Stock Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received upon exercise of an Option or Stock Appreciation Right following the termination of the Participant's Continuous Service would violate the Company's insider trading policy, then the Option or Stock Appreciation Right shall terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or Stock Appreciation Right would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or Stock Appreciation Right as set forth in the applicable Stock Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or Stock Appreciation Right (to the extent that the Participant was entitled to exercise such Option or Stock Appreciation Right as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date six (6) months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than six (6) months if necessary to comply with applicable state laws), or (ii) the expiration of the term of the Option or Stock Appreciation Right as set forth in the Stock Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or Stock Appreciation Right within the time specified herein or in the Stock Award Agreement (as applicable), the Option or Stock Appreciation Right shall terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Stock Award Agreement or other agreement between the Participant and the Company, in the event that (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if

any) specified in the Stock Award Agreement after the termination of the Participant's Continuous Service for a reason other than death, then the Option or Stock Appreciation Right may be exercised (to the extent the Participant was entitled to exercise such Option or Stock Appreciation Right as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or Stock Appreciation Right by bequest or inheritance or by a person designated to exercise the Option or Stock Appreciation Right upon the Participant's death, but only within the period ending on the earlier of (i) the date six (6) months following the date of death (or such longer or shorter period specified in the Stock Award Agreement, which period shall not be less than six (6) months if necessary to comply with applicable state laws), or (ii) the expiration of the term of such Option or Stock Appreciation Right as set forth in the Stock Award Agreement. If, after the Participant's death, the Option or Stock Appreciation Right is not exercised within the time specified herein or in the Stock Award Agreement (as applicable), the Option or Stock Appreciation Right shall terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in the applicable Stock Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service is terminated for Cause, the Option or SAR shall terminate upon the termination date of such Participant's Continuous Service, and the Participant shall be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Non-Exempt Employees. No Option or Stock Appreciation Right granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or Stock Appreciation Right. Notwithstanding the foregoing, consistent with the provisions of the Worker Economic Opportunity Act, in the event of the Participant's death or Disability, upon a Change in Control in which the vesting of such Options or Stock Appreciation Rights accelerates, or upon the Participant's retirement (as such term may be defined in the Participant's Stock Award Agreement or in another applicable agreement or in accordance with the Company's then current employment policies and guidelines) any such vested Options Stock Appreciation Rights may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or Stock Appreciation Right will be exempt from his or her regular rate of pay.

(m) Right of Repurchase. Subject to the "Repurchase Limitation" in Section 8(l), the Option or Stock Appreciation Right may include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Participant pursuant to the exercise of the Option or Stock Appreciation Right.

(n) Right of First Refusal. The Option or Stock Appreciation Right may include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Participant of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option or Stock Appreciation Right. Such right of first refusal shall be subject to the "Repurchase Limitation" in Section 8(l). Except as expressly provided in this Section 5(n) or in the Stock Award Agreement, such right of first refusal shall otherwise comply with any applicable provisions of the Bylaws of the Company.

6. PROVISIONS OF RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNITS.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical; *provided, however*, that each Restricted Stock Award Agreement shall conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash or cash equivalents, (B) past or future services actually or to be rendered to the Company or an Affiliate, or (C) any other form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. Subject to the "Repurchase Limitation" in Section 8(l), shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement or other agreement between the Participant and the Company.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board shall determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical, *provided*, *however*, that each Restricted Stock Unit Award Agreement shall conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all the terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement or other agreement between the Participant and the Company, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(vii) Compliance with Section 409A of the Code. Notwithstanding anything to the contrary set forth herein, any Restricted Stock Unit Award granted under the Plan that is not exempt from the requirements of Section 409A of the Code shall contain such provisions so that such Restricted Stock Unit Award will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Board and contained in the Restricted Stock Unit Award Agreement evidencing such Restricted Stock Unit Award. For example, such restrictions may include, without limitation, a requirement that any Common Stock that is to be issued in a year following the year in which the Restricted Stock Unit Award vests must be issued in accordance with a fixed pre-determined schedule.

7. COVENANTS OF THE COMPANY.

(a) Availability of Shares. During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided*, *however,* that this undertaking shall not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant shall not be eligible for the grant of a Stock Award or the subsequent issuance of Common Stock pursuant to the Stock Award if such grant or issuance would be in violation of any applicable securities law.

(c) No Obligation to Notify. The Company shall have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company shall have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Stock Awards. Corporate action constituting a grant by the Company of a Stock Award to any Participant shall be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or accepted by, the Participant.

(c) Stockholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Stock Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(f) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (x) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(g) Withholding Obligations. Unless prohibited by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; *provided, however*, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding payment from any amounts otherwise payable to the Participant; (iv) withholding cash from a Stock Award settled in cash; or (v) by such other method as may be set forth in the Stock Award Agreement.

(h) Electronic Delivery. Any reference herein to a "written" agreement or document shall include any agreement or document delivered electronically or posted on the Company's intranet.

(i) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections

to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(j) Compliance with Section 409A. To the extent that the Board determines that any Stock Award granted hereunder is subject to Section 409A of the Code, the Stock Award Agreement evidencing such Stock Award shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Stock Award Agreements shall be interpreted in accordance with Section 409A of the Code.

(k) Compliance with Exemption Provided by Rule 12h-1(f). If: (i) the aggregate of the number of Optionholders and the number of holders of all other outstanding compensatory employee stock options to purchase shares of Common Stock equals or exceeds five hundred (500), and (ii) the assets of the Company at the end of the Company's most recently completed fiscal year exceed $10 million, then the following restrictions shall apply during any period during which the Company does not have a class of its securities registered under Section 12 of the Exchange Act and is not required to file reports under Section 15(d) of the Exchange Act: (A) the Options and, prior to exercise, the shares of Common Stock acquired upon exercise of the Options may not be transferred until the Company is no longer relying on the exemption provided by Rule 12h-1(f) promulgated under the Exchange Act ("***Rule 12h-1(f)***"), except: (1) as permitted by Rule 701(c) promulgated under the Securities Act, (2) to a guardian upon the disability of the Optionholder, or (3) to an executor upon the death of the Optionholder (collectively, the "***Permitted Transferees***"); *provided*, *however*, the following transfers are permitted: (i) transfers by the Optionholder to the Company, and (ii) transfers in connection with a change of control or other acquisition involving the Company, if following such transaction, the Options no longer remain outstanding and the Company is no longer relying on the exemption provided by Rule 12h-1(f); *provided further*, that any Permitted Transferees may not further transfer the Options; (B) except as otherwise provided in (A) above, the Options and shares of Common Stock acquired upon exercise of the Options are restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" as defined by Rule 16a-1(h) promulgated under the Exchange Act, or any "call equivalent position" as defined by Rule 16a-1(b) promulgated under the Exchange Act by the Optionholder prior to exercise of an Option until the Company is no longer relying on the exemption provided by Rule 12h-1(f); and (C) at any time that the Company is relying on the exemption provided by Rule 12h-1(f), the Company shall deliver to Optionholders (whether by physical or electronic delivery or written notice of the availability of the information on an internet site) the information required by Rule 701(e)(3), (4), and (5) promulgated under the Securities Act every six (6) months, including financial statements that are not more than one hundred eighty (180) days old; *provided*, *however*, that the Company may condition the delivery of such information upon the Optionholder's agreement to maintain its confidentiality.

(l) Repurchase Limitation. The terms of any repurchase right shall be specified in the Stock Award Agreement. The repurchase price for vested shares of Common Stock shall be the Fair Market Value of the shares of Common Stock on the date of repurchase. The repurchase price for unvested shares of Common Stock shall be the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price. However, the Company shall not exercise its repurchase right until at least six (6) months (or such longer or shorter period of time necessary to avoid classification of the Stock Award as a liability for financial accounting purposes) have elapsed following delivery of shares of Common Stock subject to the Stock Award, unless otherwise specifically provided by the Board.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the

exercise of Incentive Stock Options pursuant to Section 3(c), and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) shall terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service, *provided, however,* that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Change in Control. The following provisions shall apply to Stock Awards in the event of a Change in Control unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the holder of the Stock Award or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. Except as otherwise stated in the Stock Award Agreement, in the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board shall take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Change in Control as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five (5) days prior to the effective date of the Change in Control), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control;

(iv) arrange for the lapse of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the holder of the Stock Award would have received upon the exercise of the Stock Award, over (B) any exercise price payable by such holder in connection with such exercise. The Board need not take the same action with respect to all Stock Awards or with respect to all Participants.

10. TERMINATION OR SUSPENSION OF THE PLAN.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated by the Board pursuant to Section 2, the Plan shall automatically terminate on the day before the tenth (10th) anniversary of the earlier of (i) the date the Plan is adopted by the Board, or (ii) the date the Plan is approved by the stockholders of the Company. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Stock Award granted while the Plan is in effect except with the written consent of the affected Participant.

11. EFFECTIVE DATE OF PLAN.

This Plan shall become effective on the Effective Date.

12. CHOICE OF LAW.

The law of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS.

As used in the Plan, the following definitions shall apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Board shall have the authority to determine the time or times at which "parent" or "majority- owned subsidiary" status is determined within the foregoing definition.

(b) "***Board***" means the Board of Directors of the Company.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Effective Date without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards No. 123 (revised). Notwithstanding the foregoing, the conversion of any convertible securities of the Company shall not be treated as a Capitalization Adjustment.

(d) "***Cause***" shall have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means with respect to a Participant, the occurrence of any of the following events: (i) Participant's willful failure to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant's commission of any act of dishonesty, fraud, misconduct, insubordination, unauthorized use or disclosure of confidential information or trade secrets, or conviction or confession of a crime punishable by law (except minor violations) or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time as provided in Section 8(d), and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate or successor thereto, if appropriate.

(e) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) the consummation of a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) the consummation of a sale or other disposition of more than fifty percent (50%) of the outstanding securities of the Company;

(iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation;

(iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise; or

(v) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the "*Subject Person*") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur. Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Stock Awards subject to such agreement; *provided*, *however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(f) "***Code***" means the Internal Revenue Code of 1986, as amended, as well as any applicable regulations and guidance thereunder.

(g) "***Committee***" means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(h) "***Common Stock***" means the common stock of the Company.

(i) "***Company***" means SLS Breeze Holdings, Inc. a Delaware corporation.

(j) "***Consultant***" means any natural person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, shall not cause a Director to be considered a "Consultant" for purposes of the Plan.

(k) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director, or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service; *provided*, *however*, if the Entity for which a Participant is rendering service ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service shall be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an employee of the Company to a consultant of an Affiliate or to a Director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

(l) "***Director***" means a member of the Board.

(m) "***Disability***" means the inability of a Participant to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code and shall be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(n) "***Effective Date***" means the effective date of this Plan, which is the earlier of (i) the date that this Plan is first approved by the Company's stockholders, or (ii) the date this Plan is adopted by the Board.

(o) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, shall not cause a Director to be considered an "Employee" for purposes of the Plan.

(p) "***Entity***" means a corporation, partnership, limited liability company or other entity.

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

(r) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" shall not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(s) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined by the Board in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(t) "***Incentive Stock Option***" means an option that qualifies as an "incentive stock option" within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) "***Nonstatutory Stock Option***" means an Option that does not qualify as an Incentive Stock Option.

(v) "***Officer***" means any person designated by the Company as an officer.

(w) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(x) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(y) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(z) "***Own***," "***Owned***," "***Owner***," "***Ownership***" A person or Entity shall be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(aa) "***Participant***" means a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(bb) "***Plan***" means this SLS Breeze Holdings, Inc. 2014 Equity Incentive Plan.

(cc) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(dd) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award. Each Restricted Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(ee) "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(ff) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement shall be subject to the terms and conditions of the Plan.

(gg) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(hh) "***Rule 701***" means Rule 701 promulgated under the Securities Act.

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

(jj) "***Stock Appreciation Right***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(kk) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement shall be subject to the terms and conditions of the Plan.

(ll) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, or a Stock Appreciation Right.

(mm) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(nn) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%) .

(oo) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

BLACKLINE, INC.
STOCK OPTION GRANT NOTICE
(2014 EQUITY INCENTIVE PLAN)

BlackLine, Inc. (the "***Company***"), pursuant to the 2014 SLS Breeze Holdings, Inc. Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below. This option is subject to all of the terms and conditions as set forth herein and in the Option Agreement, the Plan, and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: Nonstatutory Stock Option

Vesting Schedule: Twenty-five percent (25%) of the shares (rounded down to the nearest whole number of shares) vest on each of the first four anniversaries of the Vesting Commencement Date.

Payment: By one or a combination of the following items (described in the Option Agreement):

☐ By cash or check
☐ Pursuant to a Regulation T Program if the Shares are publicly traded
☐ By delivery of already-owned shares if the Shares are publicly traded
☐ By "net exercise" whereby the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of options previously granted and delivered to Optionholder under the Plan.

Optionee acknowledges and agrees that the grant of this option and the issuance of shares of Common Stock upon exercise are subject to Optionee's execution and delivery to the Company of this Stock Option Grant Notice and the Confidential Information and Inventions Assignment Agreement, and Optionee's continued compliance with the terms and conditions of the Confidential Information and Inventions Assignment Agreement. By Optionee's signature below, Optionee hereby agrees to abide by the terms of and conditions of the Confidential Information and Inventions Assignment Agreement.

BLACKLINE, INC.

By: _____
Signature
Title:
Date:

OPTIONHOLDER:

By: _____
Signature
Date:

ATTACHMENTS: Option Agreement, 2014 Equity Incentive Plan and Notice of Exercise

Exhibit 10.7

AMENDMENT NO. 1 TO THE
BLACKLINE, INC. 2014 EQUITY INCENTIVE PLAN

This Amendment No. 1 ("Amendment") to the BlackLine, Inc. 2014 Equity Incentive Plan (f/k/a the SLS Breeze Holdings, Inc. 2014 Equity Incentive Plan) (the "Plan") is made by BlackLine, Inc. ("BlackLine") on July 8, 2015 (the "Amendment Effective Date").

WHEREAS, the BlackLine Board of Directors and Shareholders adopted the Plan on March 3, 2014;

WHEREAS, the BlackLine Board of Directors and a majority of its Shareholders approved an amendment to the Plan on February 25, 2015 authorizing an increased number of shares of Common Stock that may be issued as Stock Awards; and

WHEREAS, BlackLine desires to amend the Plan in a manner consistent with the foregoing amendments.

NOW, THEREFORE, the Plan is modified as follows.

1. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to such terms in the Plan.

2. Section 3(a) of the Plan, shall be replaced in its entire with the following:

"Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards beginning on the Effective Date shall not exceed 30,000,000 shares (the "**Share Reserve**"). Furthermore, if a Stock Award (i) expires or otherwise terminates without having been executed in full or (ii) is settled in cash (i.e., the holder of the Stock Award receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. For clarity, the limitation set forth in this Section 3(a) is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a)."

3. Except as expressly provided in this Amendment, all of the terms and provisions of the Plan are and will remain in full force and effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, BlackLine has caused the officer set forth below to execute this Amendment as of the Amendment Effective Date.

BLACKLINE, INC.

By: /s/ Therese Tucker

Name: Therese Tucker

Title: Chief Executive Officer

Date: July 8, 2015

Exhibit 10.8

AMENDMENT NO. 2 TO THE
BLACKLINE, INC. 2014 EQUITY INCENTIVE PLAN

This Amendment No. 2 ("Amendment") to the BlackLine, Inc. 2014 Equity Incentive Plan (f/k/a the SLS Breeze Holdings, Inc. 2014 Equity Incentive Plan) (the "Plan") is made by BlackLine, Inc. ("BlackLine") on August 26, 2015 (the "Amendment Effective Date").

WHEREAS, the BlackLine Board of Directors and Shareholders adopted the Plan on March 3, 2014;

WHEREAS, the BlackLine Board of Directors and Shareholders adopted Amendment No. 1 to the Plan, each on February 25, 2015;

WHEREAS, the BlackLine Board of Directors and a majority of its Shareholders approved an amendment to the Plan on August 5, 2015 and August 24, 2015, respectively, authorizing an increased number of shares of Common Stock that may be issued as Stock Awards; and

WHEREAS, BlackLine desires to amend the Plan in a manner consistent with the foregoing amendments.

NOW, THEREFORE, the Plan is modified as follows.

1. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to such terms in the Plan.

2. Section 3(a) of the Plan, shall be replaced in its entire with the following:

"Share Reserve. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards beginning on the Effective Date shall not exceed 30,646,185 shares (the "**Share Reserve**"). Furthermore, if a Stock Award (i) expires or otherwise terminates without having been executed in full or (ii) is settled in cash (i.e., the holder of the Stock Award receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. For clarity, the limitation set forth in this Section 3(a) is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a)."

3. Except as expressly provided in this Amendment, all of the terms and provisions of the Plan are and will remain in full force and effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, BlackLine has caused the officer set forth below to execute this Amendment as of the Amendment Effective Date.

BLACKLINE, INC.

By: /s/ Therese Tucker

Name: Therese Tucker

Title: Chief Executive Officer

Date: 8-26-2015

Exhibit 10.9

AMENDMENT NO. 3 TO THE
BLACKLINE, INC. 2014 EQUITY INCENTIVE PLAN

This Amendment No. 3 ("Amendment") to the BlackLine, Inc. 2014 Equity Incentive Plan (f/k/a the SLS Breeze Holdings, Inc. 2014 Equity Incentive Plan) (the "Plan") is made by BlackLine, Inc. ("BlackLine") on 12-14, 2015 (the "Amendment Effective Date").

WHEREAS, the BlackLine Board of Directors and Shareholders adopted the Plan on March 3, 2014;

WHEREAS, the BlackLine Board of Directors and a majority of its Shareholders approved an amendment to the Plan on February 25, 2015 authorizing an increased number of shares of Common Stock that may be issued as Stock Awards;

WHEREAS, BlackLine adopted Amendment No. 1 to the Plan on July 28, 2015 authorizing an increased number of shares of Common Stock that may be issued as Stock Awards;

WHEREAS, the BlackLine Board of Directors and a majority of its Shareholders approved an amendment to the Plan on August 5, 2015 and August 24, 2015, respectively, authorizing an increased number of shares of Common Stock that may be issued as Stock Awards; and

WHEREAS, BlackLine adopted Amendment No. 2 to the Plan on August 26, 2015 authorizing an increased number of shares of Common Stock that may be issued as Stock Awards.

WHEREAS, BlackLine desires to amend the Plan in a manner consistent with the foregoing amendments.

NOW, THEREFORE, the Plan is modified as follows.

1. Capitalized terms used but not defined in this Amendment shall have the meanings ascribed to such terms in the Plan.

2. Section 3(a) of the Plan, shall be replaced in its entire with the following:

> **"Share Reserve.** Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards beginning on the Effective Date shall not exceed 32,007,310 shares (the "**Share Reserve**"). Furthermore, if a Stock Award (i) expires or otherwise terminates without having been executed in full or (ii) is settled in cash (i.e., the holder of the Stock Award receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. For clarity, the limitation set forth in this Section 3(a) is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a)."

3. Except as expressly provided in this Amendment, all of the terms and provisions of the Plan are and will remain in full force and effect and are hereby ratified and confirmed.

IN WITNESS WHEREOF, BlackLine has caused the officer set forth below to execute this Amendment as of the Amendment Effective Date.

BLACKLINE, INC.

By: /s/ Karole Morgan-Prager

Name: Karole Morgan-Prager

Title: Chief Legal Officer

Date: DECEMBER 14, 2015

Exhibit 10.10

BLACKLINE, INC.

2016 EQUITY INCENTIVE PLAN

1. Purposes of the Plan.

The purposes of this Plan are to attract and retain personnel for positions with the Company, to provide additional incentive to Employees, Directors, and Consultants (collectively, "Service Providers"), and to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options to Employees and the grant of Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Stock Units, and Performance Awards to any Service Provider.

2. Shares Subject to the Plan.

(a) Allocation of Shares to Plan. The maximum aggregate number of Shares that may be issued under the Plan is:

(i) 30,980,000 Shares (on pre reverse stock split), plus

(ii) a number of Shares equal to the number of Shares subject to outstanding awards granted under the Company's 2014 Equity Incentive Plan, as amended and restated (the "Existing Plan") that, after the date the Existing Plan is terminated, expire or otherwise terminate without having been exercised in full and a number of Shares equal to the number of Shares issued under awards granted under the Existing Plan that, after the date the Existing Plan is terminated, are forfeited to the Company, tendered to or withheld by the Company for payment of an exercise price or for tax withholding, or repurchased by the Company due to failure to vest, with the maximum number of Shares that may be added to the Plan under this Section 2(a)(i) being equal to 33,900,000 Shares, plus

(iii) any additional Shares that become available for issuance under the Plan under Sections 2(b) and 2(c).

The Shares may be authorized but unissued Common Stock or Common Stock issued and then reacquired by the Company.

(b) Automatic Share Reserve Increase. The number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2016 Fiscal Year, in an amount equal to the least of

(i) 30,980,000 Shares,

(ii) 5% of the total number of shares of Common Stock outstanding on the last day of the immediately preceding Fiscal Year, and

(iii) a lower number of Shares determined by the Administrator.

(c) Lapsed Awards.

(i) *Options and Stock Appreciation Rights*. If an Option or Stock Appreciation Right expires or becomes unexercisable without having been exercised in full or is surrendered under an Exchange Program, the unissued Shares subject to the Option or Stock Appreciation Right will become available for future issuance under the Plan.

(ii) *Stock Appreciation Rights*. Only Shares actually issued pursuant to a Stock Appreciation Right (i.e., the net Shares issued) will cease to be available under the Plan; all remaining Shares originally subject to the Stock Appreciation Right will remain available for future issuance under the Plan.

(iii) *Full-Value Awards*. Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares, Performance Stock Units or stock-settled Performance Awards that are reacquired by the Company due to failure to vest or are forfeited to the Company will become available for future issuance under the Plan.

(iv) *Withheld Shares*. Shares used to pay the Exercise Price of an Award or to satisfy tax withholding obligations related to an Award will become available for future issuance under the Plan.

(v) *Cash-Settled Awards*. If any portion of an Award under the Plan is paid to a Participant in cash rather than Shares, that cash payment will not reduce the number of Shares available for issuance under the Plan.

(d) Incentive Stock Options. The maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal 200% of the aggregate Share number stated in Section 2(a) plus, to the extent allowable under Code Section 422, any Shares that become available for issuance under the Plan under Sections 2(b) and 2(c).

(e) Adjustment. The numbers provided in Sections 2(a), 2(b), and 2(d) will be adjusted as a result of changes in capitalization referred to in Section 13.

(f) Substitute Awards. If the Committee grants Awards in substitution for equity compensation awards outstanding under a plan maintained by an entity acquired by or consolidated with the Company, the grant of those substitute Awards will not decrease the number of Shares available for issuance under the Plan.

3. Administration of the Plan.

(a) Procedure.

(i) *General*. The Plan will be administered by the Board or a Committee (the "Administrator"). Different Administrators may administer the Plan with respect to different groups of Service Providers. The Board may retain the authority to concurrently administer the Plan with a Committee and may revoke the delegation of some or all authority previously delegated.

(ii) *Further Delegation*. To the extent permitted by Applicable Laws, the Board or a Committee may delegate to 1 or more officers the authority to grant Awards to Employees of the Company or any of its Subsidiaries who are not officers, provided that the delegation must specify any limitations on the authority required by Applicable Laws, including the total number of Shares that may be subject to the Awards granted by such officer(s). Such delegation may be revoked at any time by the Board or Committee. Any such Awards will be granted on the form of Award Agreement most recently approved for use by the Board or a Committee made up solely of Directors, unless the resolutions delegating the authority permit the officer(s) to use a different form of Award Agreement approved by the Board or a Committee made up solely of Directors.

(iii) *Section 162(m)*. Unless an Award is granted and administered solely by a Committee of 2 or more "outside directors" within the meaning of Code Section 162(m), it will not qualify as "performance-based compensation" within the meaning of Code Section 162(m).

(b) Powers of the Administrator. Subject to the terms of the Plan, any limitations on delegations specified by the Board, and any requirements imposed by Applicable Laws, the Administrator will have the authority, in its sole discretion, to make any determinations and perform any actions deemed necessary or advisable to administer the Plan including:

(i) to determine the Fair Market Value;

(ii) to approve forms of Award Agreements for use under the Plan (provided that all forms of Award Agreement must be approved by the Board or the Committee of Directors acting as the Administrator);

(iii) to select the Service Providers to whom Awards may be granted and grant Awards to such Service Providers;

(iv) to determine the number of Shares to be covered by each Award granted;

(v) to determine the terms and conditions, consistent with the Plan, of any Award granted. Such terms and conditions may include, but are not limited to, the Exercise Price, the time(s) when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating to an Award;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to interpret the Plan and make any decisions necessary to administer the Plan;

(viii) to establish, amend and rescind rules relating to the Plan, including rules relating to sub-plans established to satisfy laws of jurisdictions other than the United States or to qualify Awards for favorable tax treatment under laws of jurisdictions other than the United States;

(ix) to interpret, modify or amend each Award (subject to Section 18), including extending the Expiration Date and the post-termination exercisability period of such modified or amended Awards;

(x) to allow Participants to satisfy tax withholding obligations in any manner permitted by Section 15;

(xi) to delegate ministerial duties to any of the Company's employees;

(xii) to authorize any person to take any steps and execute, on behalf of the Company, any documents required for an Award previously granted by the Administrator to be effective; and

(xiii) to allow Participants to defer the receipt of the payment of cash or the delivery of Shares otherwise due to any such Participants under an Award.

(c) Termination of Status.

(i) Unless a Participant is on a leave of absence approved by the Company as set forth in Section 11, the Participant's status as a Service Provider will end at midnight at the end of the last day the Participant actively provides services for a member of the Company Group (the "Termination of Status Date"). The Administrator has the sole discretion to determine the date on which a Participant stops actively providing services and whether a Participant may still be considered to be providing services while on a leave of absence and the Administrator may delegate this decision, other than with respect to Officers, to the Company's senior human resources officer.

(ii) This termination of status as a Service Provider will occur regardless of the reason for such termination even if the termination is later found to be invalid, in breach of employment laws in the jurisdiction where Participant is providing services, or in violation of the terms of Participant's employment or service agreement, if any such agreement exists.

(iii) Unless otherwise expressly provided in an Award Agreement or otherwise determined by the Administrator, a Participant's right to vest in any Award under the Plan will cease as of the Termination of Status Date and will not be extended by any notice period, whether arising under contract, statute or common law, including any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is providing services.

(d) Grant Date. The grant date of an Award ("Grant Date") will be the date that the Administrator makes the determination granting such Award or may be a later date if such later date is designated by the Administrator on the date of the determination or under an automatic grant policy. Notice of the determination will be provided to each Participant within a reasonable time after the Grant Date.

(e) Waiver. The Administrator may waive any terms, conditions or restrictions.

(f) Fractional Shares. Except as otherwise provided by the Administrator, any fractional Shares that result from the adjustment of Awards will be canceled. Any fractional Shares that result from vesting percentages will be accumulated and vested on the date that an accumulated full Share is vested.

(g) Electronic Delivery. The Company may deliver by e-mail or other electronic means (including posting on a website maintained by the Company or by a third party under contract with the Company or another member of the Company Group) all documents relating to the Plan or any Award and all other documents that the Company is required to deliver to its security holders (including prospectuses, annual reports and proxy statements).

(h) Choice of Law; Choice of Forum. The Plan, all Awards and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under this Plan, a Participant's acceptance of an Award is his or her consent to the jurisdiction of the State of Delaware, and agreement that any such litigation will be conducted in Delaware Court of Chancery, or the federal courts for the United States for the District of Delaware, and no other courts, regardless of where a Participant's services are performed.

(i) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

4. Stock Options.

(a) Stock Option Award Agreement. Each Option will be evidenced by an Award Agreement that will specify the number of Shares subject to the Option, its per share exercise price ("Exercise Price"), its Expiration Date, and such other terms and conditions as the Administrator determines. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. An Option not designated as an Incentive Stock Option is a Nonstatutory Stock Option.

(b) Exercise Price. The Exercise Price for the Shares to be issued upon exercise of an Option will be determined by the Administrator.

(c) Form of Consideration. The Administrator will determine the acceptable forms of consideration for exercising an Option and those forms of consideration will be described in the Award Agreement. The consideration may consist of any combination of the following, to the extent permitted by Applicable Laws:

(i) cash;

(ii) check or wire transfer;

(iii) promissory note;

(iv) other Shares that have a fair market value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which such Option will be exercised. To the extent not prohibited by the Administrator, this shall include the ability to tender Shares to exercise the Option and then use the Shares received on exercise to exercise the Option with respect to additional Shares;

(v) consideration received by the Company under a cashless exercise arrangement (whether through a broker or otherwise) implemented by the Company for the exercise of Options that has been approved by the Board or a Committee of Directors;

(vi) consideration received by the Company under a net exercise program under which Shares are withheld from otherwise deliverable Shares that has been approved by the Board or a Committee of Directors; and

(vii) any other consideration or method of payment to issue Shares (provided that other forms of considerations may only be approved by the Board or a Committee of Directors).

(d) Incentive Stock Option Limitations.

(i) The Exercise Price of an Incentive Stock Option may not be less than 100% of the Fair Market Value on the Grant Date.

(ii) To the extent that the aggregate fair market value of the shares with respect to which incentive stock options under Code Section 422(b) are exercisable for the first time by a Participant during any calendar year (under all plans and agreements of the Company Group) exceeds $100,000, the incentive stock options whose value exceeds $100,000 will be treated as nonstatutory stock options. Incentive stock options will be considered in the order in which they were granted. For this purpose the fair market value of the shares subject to an option will be determined as of the grant date of each option.

(iii) The Expiration Date of an Incentive Stock Option will be the day prior to the 10th anniversary of the Grant Date or any earlier date provided in the Award Agreement, subject to clause (iv) below.

(iv) The following rules apply to Incentive Stock Options granted to Participants who own stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company:

(1) the Expiration Date of the Incentive Stock Option may not be after the day prior to the 5th anniversary of the Grant Date; and

(2) the Exercise Price may not be less than 110% of the Fair Market Value on the Grant Date.

If an Option is designated in the Administrator action that granted it as an Incentive Stock Option but the terms of the Option do not comply with Sections 4(d)(iv)(1) and 4(d)(iv)(2), then the Option will not qualify as an Incentive Stock Option. All Options granted under the Plan are Nonstatutory Stock Options unless specifically designated as Incentive Stock Options in the Award Agreement pursuant to which such Options are granted.

(e) Exercise of Option. An Option is exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, despite the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. An Option may not be exercised for a fraction of a Share. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for purchase under the Option, by the number of Shares as to which the Option is exercised.

(f) Expiration of Options. Subject to Section 4(d), an Option's Expiration Date will be set forth in the Award Agreement. An Option may expire before its expiration date under Sections 14 or 16(b) or under the Award Agreement.

(g) Tolling of Expiration. If exercising an Option prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Option will remain exercisable until 30 days after the first date on which exercise would no longer be prevented by such provisions. If this would result in the Option remaining exercisable past its Expiration Date, then it will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

5. Restricted Stock.

(a) Restricted Stock Award Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction (if any), the number of Shares granted, and such other terms and conditions as the Administrator determines. Unless the Administrator determines otherwise, Shares of Restricted Stock will be held in escrow until the end of the Period of Restriction applicable to such Shares. All grants of Restricted Stock and interpretative decisions about Restricted Stock may only be made by the Administrator.

(b) Restrictions:

(i) Except as provided in this Section 5 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated until the end of the Period of Restriction applicable to such Shares.

(ii) During the Period of Restriction, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(iii) During the Period of Restriction, Service Providers holding Shares of Restricted Stock will not be entitled to receive dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If the Administrator provides that dividends and distributions will be received and any such dividends or distributions are paid in cash they will be subject to the same provisions regarding forfeitability as the Shares of Restricted Stock with respect to which they were paid and if such dividend or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid and, unless the Administrator determines otherwise, the Company will hold such Shares until the restrictions on the Shares of Restricted Stock with respect to which they were paid have lapsed.

(iv) Except as otherwise provided in this Section 5 or an Award Agreement, Shares of Restricted Stock covered by each Restricted Stock Award made under the Plan will be released from escrow when practicable after the last day of the applicable Period of Restriction.

(v) The Administrator may impose, prior to grant, or remove any restrictions on Shares of Restricted Stock.

6. Restricted Stock Units.

(a) Restricted Stock Unit Award Agreement. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria that, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (that may include continued employment or service) or any other basis determined by the Administrator in its sole discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will have earned the Restricted Stock Units and will be paid as determined in Section 6(d). The Administrator may reduce or waive any criteria that must be met to earn the Restricted Stock Units.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made when practicable after the date set forth in the Award Agreement and determined by the Administrator. The Administrator may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

7. Stock Appreciation Rights.

(a) Stock Appreciation Right Award Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the Exercise Price (which may not be less than 100% of Fair Market Value on the Grant Date), its Expiration Date, the conditions of exercise, and such other terms and conditions as the Administrator determines.

(b) Payment of Stock Appreciation Right Amount. When a Participant exercises a Stock Appreciation Right, he or she will be entitled to receive a payment from the Company equal to:

(i) the difference between the Fair Market Value on the date of exercise and the Exercise Price multiplied by

(ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

Payment upon Stock Appreciation Right exercise may be made in cash, in Shares of equivalent value, or any combination of cash and Shares, with the determination of form of payment made by the Administrator. Shares issued upon exercise of a Stock Appreciation Right will be issued in the name of the Participant. Until Shares are issued (as evidenced by the entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to a Stock Appreciation Right, despite the exercise of the Stock Appreciation Right. The Company will issue (or cause to be issued) such Shares promptly after the Stock Appreciation Right is exercised. A Stock Appreciation Right may not be exercised for a fraction of a Share.

Exercising a Stock Appreciation Right in any manner will decrease (x) the number of Shares thereafter available under the Stock Appreciation Right by the number of Shares as to which the Stock Appreciation Right is exercised and (y) the number of Shares thereafter available under the Plan by the number of Shares issued upon such exercise.

(c) Expiration of Stock Appreciation Rights. A Stock Appreciation Right's Expiration Date will be set forth in the Award Agreement. A Stock Appreciation Right may expire before its expiration date under Sections 14 or 16(b) or under the Award Agreement

(d) Tolling of Expiration. If exercising an Stock Appreciation Right prior to its expiration is not permitted because of Applicable Laws, other than the rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, the Stock Appreciation Right will remain exercisable until 30 days after the first date on which exercise would no longer be prevented by such provisions. If this would result in the Stock Appreciation Right remaining exercisable past its Expiration Date, then it will remain exercisable only until the end of the later of (x) the first day on which its exercise would not be prevented by Section 19(a) and (y) its Expiration Date.

8. Performance Stock Units and Performance Shares.

(a) Award Agreement. Each Award of Performance Stock Units/Shares will be evidenced by an Award Agreement that will specify the time period during which the performance objectives or other vesting provisions will be measured ("Performance Period") and the material terms of the Award. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service) or any other basis determined by the Administrator.

(b) Value of Performance Stock Units/Shares. Each Performance Stock Unit will have an initial value established by the Administrator on or before the Grant Date. Each Performance Share will have an initial value equal to the Fair Market Value on the Grant Date.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (that may include continued employment or service). These objectives or vesting provisions may determine the number or value of Performance Stock Units/Shares paid out.

(d) Earning of Performance Stock Units/Shares. After an applicable Performance Period has ended, the holder of Performance Stock Units/Shares will be entitled to receive a payout of the number of Performance Stock Units/Shares earned by the Participant over the Performance Period. The Administrator may reduce or waive any performance objectives or other vesting provisions for such Performance Stock Unit/Share.

(e) Payment of Performance Stock Units/Shares. Payment of earned Performance Stock Units/Shares will be made when practicable after the end of the applicable Performance Period. Payment with respect to earned Performance Stock Units/Shares may be made in cash, in Shares of equivalent value, or any combination of cash and Shares, with the determination of form of payment made by the Administrator.

9. Performance Awards.

(a) Award Agreement. Each Performance Award will be evidenced by an Award Agreement that will specify the Performance Period and the material terms of the Award. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service) or any other basis determined by the Administrator.

(b) Value of Performance Awards. Each Performance Award's threshold, target, and maximum payout values will be established by the Administrator on or before the Grant Date.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (that may include continued employment or service). These objectives or vesting provisions will determine the value of the payout for the Performance Awards.

(d) Earning of Performance Awards. After an applicable Performance Period has ended, the holder of a Performance Award will be entitled to receive a payout for the Performance Award earned by the Participant over the Performance Period. The Administrator may reduce or waive any performance objectives or other vesting provisions for such Performance Award.

(e) Payment of Performance Awards. Payment of earned Performance Awards will be made when practicable after the end of the applicable Performance Period. Payment with respect to earned Performance Awards will be made in cash, in Shares of equivalent value, or any combination of cash and Shares, with the determination of form of payment made by the Administrator at the time of payment.

10. Outside Director Limitations.

No Outside Director may be granted, in any Fiscal Year, Awards with a grant date fair value (determined under U.S. generally accepted accounting principles) of more than $500,000, increased to $1,000,000 in connection with his or her initial service as an Outside Director. Awards granted to an individual while he or she was an Employee, or while he or she was a Consultant but not an Outside Director, will not count for purpose of this limitation.

11. Leaves of Absence/Transfer Between Locations/Change of Status.

(a) General. Unless otherwise provided by the Administrator, a Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or other member of the Company Group employing such Employee or (ii) any transfer between locations of the Company or members of the Company Group.

(b) Vesting. Unless a leave policy approved by the Administrator provides otherwise or it is otherwise required by Applicable Law, vesting of Awards granted under the Plan will continue only for Participants on an approved leave of absence.

(c) Incentive Stock Option Status. If a Participant's leave of absence approved by the Company or other member of the Company Group employing such Employee exceeds 3 months and reemployment upon expiration of such leave is not guaranteed by statute or contract, then 3 months following the 1st day of such leave the Participant will no longer be an employee for incentive stock option purposes. If reemployment upon expiration of such leave of absence is not guaranteed by statute or contract, then 6 months following the 1st day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

(d) Protected Leaves.

(i) Any leave of absence by a Participant will be subject to any Applicable Laws that apply to leaves of absence.

(ii) For a Participant on a military leave, if required by Applicable Laws, vesting will continue for the longest period that vesting continues under any other statutory or Company-approved leave of absence. When a Participant returns from military leave (under conditions that would entitle him or her to such protection under the Uniformed Services Employment and Reemployment Rights Act), the Participant will be given vesting credit to the same extent as if the Participant had continued to provide services to the Company or other member of the Company Group, as applicable, through the military leave.

(e) Changes in Status. If a Participant who is an Employee has a reduction in hours worked, the Administrator may unilaterally:

(i) make a corresponding reduction in the number of Shares or cash amount subject to any portion of an Award that is scheduled to vest or become payable after the date of such extend leave or reduction in hours; and

(ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award.

If any such reduction occurs, the Participant will have no right to any portion of the Award that is reduced.

(f) Determinations. The effect of a Company-approved leave of absence, a transfer, or a Participant's reduction in hours of employment or service on the vesting of an Award shall be determined, under policies reviewed by the Administrator, by the Company's senior human resources officer or other person performing that function or, with respect to Directors or Officers by the Compensation Committee of the Board, and any such determination will be final.

12. Transferability of Awards.

(a) General Rule. Unless determined otherwise by the Administrator, or otherwise required by Applicable Laws, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, the Award will be limited by any additional terms and conditions imposed by the Administrator. Any unauthorized transfer of an Award will be void.

(b) Domestic Relations Orders. If approved by the Administrator, an Award may be transferred under a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). An Incentive Stock Option may be converted into a Nonstatutory Stock Option as a result of such transfer.

(c) Limited Transfers for the Benefit of Family Members. The Administrator may permit an Award or Share issued under this Plan to be assigned or transferred subject to the applicable limitations, set forth in the General Instructions to Form S-8 Registration Statement under the Securities Act, if applicable, and any other Applicable Laws.

(d) Permitted Transferees. Any individual or entity to whom an Award is transferred will be subject to all of the terms and conditions applicable to the Participant who transferred the Award, including the terms and conditions in this Plan and the Award Agreement. If an Award is unvested then the service of the Participant will continue to determine whether the Award will vest and any Expiration Date.

13. Adjustments; Dissolution or Liquidation.

(a) Adjustments. If any extraordinary dividend or other extraordinary distribution (whether in cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire securities of the Company, other change in the corporate structure of the Company affecting the Shares, or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any of its successors) affecting the Shares occurs (including, without limitation, a Change in Control), the Administrator, to prevent diminution or enlargement of the benefits or potential benefits intended to be provided under the Plan, will adjust the number and class of shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Award, and the numerical Share limits in Section 2 in such a manner as it deems equitable. Notwithstanding the foregoing, the conversion of any convertible securities of the Company and ordinary course repurchases of shares or other securities of the Company will not be treated as an event that will require adjustment.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant when practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

14. Change in Control.

(a) Administrator Discretion. If a Change in Control or a merger of the Company with or into another corporation or other entity occurs, each outstanding Award will be treated as the Administrator determines, including, without limitation, that such Award be continued by the successor corporation or a Parent or Subsidiary of the successor corporation.

(b) Identical Treatment Not Required. The Administrator need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Administrator may take different actions with respect to the vested and unvested portions of an Award. The Administrator will not be required to treat all Awards similarly in the transaction.

(c) Continuation. An Award will be considered continued if, following the Change in Control or merger:

(i) the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the transaction, the consideration (whether stock, cash, or other securities or property) received in the transaction by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration received by the holders of a majority of the outstanding Shares); provided that if the consideration received in the transaction is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon exercising an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Stock Unit, Performance Share or Performance Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the transaction; or

(ii) the Award is terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction. Any such cash or property may be subjected to any escrow applicable to holders of Common Stock in the Change of Control. If as of the date of the occurrence of the transaction the Administrator determines that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment. The amount of cash or property can be subjected to vesting and paid to the Participant over the original vesting schedule of the Award.

(iii) Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-transaction corporate structure will not invalidate an otherwise valid Award assumption.

(d) The Administrator will have authority to modify Awards in connection with a Change in Control or merger:

(i) in a manner that causes them to lose their tax-preferred status,

(ii) to terminate any right a Participant has to exercise an Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), so that following the closing of the transaction the Option may only be exercised to the extent it is vested;

(iii) to reduce the Exercise Price subject to the Award in a manner that is disproportionate to the increase in the number of Shares subject to the Award, as long as the amount that would be received upon exercise of the Award immediately before and immediately following the closing of the transaction is equivalent and the adjustment complies with Treasury Regulation Section 1.409A-1(b)(v)(D); and

(iv) to suspend a Participant's right to exercise an Option during a limited period of time preceding and or following the closing of the transaction without Participant consent if such suspension is administratively necessary or advisable to permit the closing of the transaction.

(e) Non-Continuation. If the successor corporation does not continue for an Award (or some portion such Award), the Participant will fully vest in (and have the right to exercise) 100% of the then-unvested Shares subject to his or her outstanding Options and Stock Appreciation Rights, all restrictions on 100% of the Participant's outstanding Restricted Stock and Restricted Stock Units will lapse, and, regarding 100% of Participant's outstanding Awards with performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met. In no event will vesting of an Award accelerate as to more than 100%of the Award. If Options or Stock Appreciation Rights are not continued when a Change in Control or a merger of the Company with or into another corporation or other entity occurs, the Administrator will notify the Participant in writing or electronically that the Participant's vested Options or Stock Appreciation Rights (after considering the foregoing vesting acceleration, if any) will be exercisable for a period of time determined by the Administrator in its sole discretion and all of the Participant's Options or Stock Appreciation Rights will terminate upon the expiration of such period (whether vested or unvested).

(f) Outside Director Awards. With respect to Awards granted to an Outside Director that are continued, if on the date of or following such continuation the Participant's status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant that is not at the request of the acquirer, then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares not otherwise vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be treated as achieved at 100% of target levels and all other terms and conditions met.

15. Tax Matters.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash under an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company may deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy any taxes (including the Participant's social tax obligations) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and under such procedures as it may specify from time to time, may permit or may require a Participant to satisfy such tax withholding obligations, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash (including cash from the sale of Shares issued to Participant) or Shares having a fair market value equal to the minimum statutory amount required to be withheld or a greater amount if such greater amount would not result in unfavorable financial accounting treatment, (iii) delivering to the Company already-owned Shares having a fair market value equal to the minimum statutory amount required to be withheld or a greater amount if such greater amount would not result in unfavorable financial accounting treatment, or (iv) requiring the Participant to engage in a cashless exercise transaction (whether through a broker or otherwise) implemented by the Company in connection with the Plan. The fair market value of the Shares to be withheld or delivered will be determined as of the date the taxes must be withheld.

(c) Compliance With Code Section 409A. Except as otherwise determined by the Administrator, it is intended that Awards will be designed and operated so that they are either exempt from the application of Code Section 409A or comply with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B) so that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A and the Plan and each Award Agreement will be interpreted consistent with this intent. This Section 15(c) is not a guarantee to any Participant of the consequences of his or her Awards.

16. Other Terms.

(a) No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right regarding continuing the Participant's relationship as a Service Provider with the Company or member of the Company Group, nor will they interfere with the Participant's right, or the Participant's employer's right, to terminate such relationship with or without cause, to the extent permitted by Applicable Laws.

(b) Forfeiture Events**.**

(i) All Awards granted under the Plan will be subject to recoupment under any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including but not limited to a reacquisition right regarding previously acquired Shares or other cash or property. Unless this Section 16(b) is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a clawback policy or otherwise will give a Participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

(ii) The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but will not be limited to, termination of such Participant's status as Service Provider for cause or any act by a Participant, whether before or after such Participant's Termination Status Date, that would constitute cause for termination of such Participant's status as a Service Provider.

(iii) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under securities laws, any Participant who (i) knowingly or through gross negligence engaged in the misconduct or who knowingly or through gross negligence failed to prevent the misconduct or (ii) is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, must reimburse the Company the amount of any payment in settlement of an Award earned or accrued during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

17. Term of Plan.

Subject to Section 20, the Plan will become effective upon the business day immediately prior to the Registration Date. It will continue in effect until terminated under Section 18, but no Incentive Stock Options may be granted after 10 years from the date the Plan is adopted by the Board and Section 2(b) will operate only until the 10th anniversary of the date the Plan is adopted by the Board.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board or Compensation Committee of the Board may amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Consent of Participants Generally Required. Subject to Section 18(d) below, no amendment, alteration, suspension or termination of the Plan or an Award under it will materially impair the rights of any Participant without a signed, written agreement between the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it regarding Awards granted under the Plan prior to such termination.

(d) Exceptions to Consent Requirement.

(i) A Participant's rights will not be deemed to have been impaired by any amendment, alteration, suspension or termination if the Administrator, in its sole discretion, determines that the amendment, alteration, suspension or termination taken as a whole, does not materially impair the Participant's rights; and

(ii) Subject to any limitations of Applicable Laws, the Administrator may amend the terms of any one or more Awards without the affected Participant's consent even if it does materially impair the Participant's right if such amendment is done

(1) in a manner permitted under the Plan,

(2) to maintain the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(3) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award only because it impairs the qualified status of the Award as an Incentive Stock Option under Code Section 422,

(4) to clarify the manner of exemption from Code Section 409A or compliance with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B), or

(5) to comply with other Applicable Laws.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws. If required by the Administrator, issuance will be further subject to the approval of counsel for the Company with respect to such compliance. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any Applicable Laws will relieve the Company of any liability regarding the failure to issue or sell such Shares as to which such authority, registration, qualification or rule compliance was not obtained and the Administrator reserves the authority, without the consent of a Participant, to terminate or cancel Awards with or without consideration in such a situation.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant during any such exercise that the Shares are being purchased only for investment and with no present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Failure to Accept Award. If a Participant has not accepted an Award or has not taken all administrative and other steps (e.g. setting up an account with a broker designated by the Company) necessary for the Company to issue Shares upon the vesting, exercise, or settlement of the Award prior to the first date the Shares subject such Award are scheduled to vest, then the Award will be cancelled on such date and the Shares subject to such Award immediately will revert to the Plan for no additional consideration unless otherwise provided by the Administrator.

20. Stockholder Approval.

The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

21. Definitions.

The following definitions are used in this Plan:

(a) “Applicable Laws” means the requirements relating to the administration of equity-based awards and the related issuance of Shares under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and, only to the extent applicable with respect to an Award or Awards, the tax, securities or exchange control laws of any jurisdictions other than the United States where Awards are, or will be, granted under the Plan. Reference to a section of an Applicable Law or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(b) “Award” means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Stock Units, Performance Shares, or Performance Awards.

(c) “Award Agreement” means the written or electronic agreement setting forth the terms applicable to an Award granted under the Plan. The Award Agreement is subject to the terms of the Plan.

(d) “Board” means the Board of Directors of the Company.

(e) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company’s voting

stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change in Control under this Section 21(e)(i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Company which occurs on the date a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the appointment or election. For this Section 21(e)(ii), if any Person is in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, that for this Section 21(e)(iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets:

(1) a transfer to an entity controlled by the Company's stockholders immediately after the transfer, or

(2) a transfer of assets by the Company to:

(A) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock,

(B) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company,

(C) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or

(D) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in subsections 21(e)(iii)(2)(A) to 21(e)(iii)(2)(C).

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

A transaction will not be a Change in Control:

(iv) unless the transaction qualifies as a change in control event within the meaning of Code Section 409A; or

(v) if its sole purpose is to (1) change the state of the Company's incorporation, or (2) create a holding company owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the Internal Revenue Code of 1986. Reference to a section of the Code or regulation related to that section shall include such section or regulation, any valid regulation issued under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board.

(h) “Common Stock” means the common stock of the Company.

(i) “Company” means Blackline, Inc., a Delaware corporation, or any of its successors.

(j) “Company Group” means the Company, any Parent or Subsidiary of the Company, and any entity that, from time to time and at the time of any determination, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

(k) “Consultant” means any natural person engaged by a member of the Company Group to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction, and (ii) do not directly promote or maintain a market for the Company’s securities. A Consultant must be a person to whom the issuance of Shares registered on Form S-8 under the Securities Act is permitted.

(l) “Director” means a member of the Board.

(m) “Employee” means any person, including Officers and Directors, employed by the Company or any member of the Company Group. However, with respect to Incentive Stock Options, an Employee must be employed by the Company or any Parent or Subsidiary of the Company. Notwithstanding Stock Options granted to individuals not providing services to the Company or a subsidiary of the Company should be carefully structured to comply with the payment timing rule of Code Section 409A. Neither service as a Director nor payment of a director’s fee by the Company will constitute “employment” by the Company.

(n) “Exchange Act” means the U.S. Securities Exchange Act of 1934.

(o) “Exchange Program” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower Exercise Prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the Exercise Price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(p) “Expiration Date” means the last possible day on which an Option or Stock Appreciation Right may be exercised. Any exercise must be completed by midnight California Time between the Expiration Date and the following date.

(q) “Fair Market Value” means, as of any date, the value of a Share, determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, the Fair Market Value will be the closing sales price for a Share (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported by such source as the Administrator determines to be reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date on the last Trading Day such bids and asks were reported), as reported by such source as the Administrator determines to be reliable;

(iii) For any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company’s Common Stock; or

(iv) Absent an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

Notwithstanding the foregoing, if the determination date for the Fair Market Value occurs on a weekend, holiday or other non-Trading Day, the Fair Market Value will be the price as determined under subsections (i) or (ii) above on the immediately preceding Trading Day, unless otherwise determined by the Administrator. In addition, for purposes of

determining the fair market value of shares for any reason other than the determination of the Exercise Price of Options or Stock Appreciation Rights, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator's sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(r) "Fiscal Year" means a fiscal year of the Company.

(s) "Incentive Stock Option" means an Option that is intended to qualify and does qualify as an incentive stock option within the meaning of Code Section 422.

(t) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(u) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(v) "Option" means a stock option to acquire Shares granted under Section 4.

(w) "Outside Director" means a Director who is not an Employee.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

(y) "Participant" means the holder of an outstanding Award.

(z) "Performance Awards" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which will be settled for cash, Shares or other securities or a combination of the foregoing under Section 9.

(aa) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine under Section 8.

(bb) "Performance Stock Units" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing under Section 8.

(cc) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(dd) "Plan" means this 2016 Equity Incentive Plan.

(ee) "Registration Date" means the effective date of the first registration statement filed by the Company and declared effective under Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(ff) "Restricted Stock" means Shares issued under an Award granted under Section 5 or issued as a result of the early exercise of an Option.

(gg) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value, granted under Section 6. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

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

(ii) "Service Provider" means an Employee, Director or Consultant.

(jj) “Share” means a share of Common Stock.

(kk) “Stock Appreciation Right” means an Award granted (alone or in connection with an Option) under Section 7.

(ll) “Subsidiary” means a “subsidiary corporation” as defined in Code Section 424(f).

(mm) “Trading Day” means a day on which the applicable stock exchange or national market system is open for trading.

BLACKLINE, INC.
2016 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD AND RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms that are not defined in this Notice of Restricted Stock Unit Award and Restricted Stock Unit Agreement (the "**Notice of Grant**"), the Terms and Conditions of Restricted Stock Unit Award, or any of the exhibits to these documents (all together, the "**Agreement**") have the meanings given to them in the BlackLine, Inc. 2016 Equity Incentive Plan (the "**Plan**").

The Participant has been granted this Restricted Stock Unit ("**RSU**") award according to the terms below and subject to the terms and conditions of the Plan and this Agreement, as follows:

Participant	_____
Grant Number	_____
Grant Date	_____
Vesting Start Date	_____
Number of RSUs Granted	_____

Vesting Schedule:

Unless the vesting is accelerated, these RSUs will vest on the following schedule:

If the Participant continues to be a Service Provider through each such date, 25% of these RSUs will vest on each of the first four anniversaries following the Vesting Start Date. All vesting will be rounded in accordance with Section 3(f) of the Plan.

If the Participant ceases to be a Service Provider for any or no reason before he or she fully vests in these RSUs, the unvested RSUs will terminate according to the terms of Section 5 of this Agreement.

The Participant's signature below indicates that:

(i) He or she agrees that this Restricted Stock Unit award is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.

(ii) He or she understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding his or her participation in the Plan or his or her acquisition or sale of Shares.

(iii) He or she has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. He or she will consult with his or her own personal tax, legal, and financial advisors before taking any action related to the Plan.

(iv) He or she has read and agrees to each provision of Section 10 of this Agreement.

(v) He or she will notify the Company of any change to the contact address below.

PARTICIPANT

_____

Signature

Address: _____

_____

_____

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD

1. Grant. The Company grants the Participant an award of RSUs as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing these RSUs, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing these RSUs.

2. Company's Obligation to Pay. Each RSU is a right to receive a Share on the date it vests. Until an RSU vests, the Participant has no right to payment of the Share. Before a vested RSU is paid, the RSU is an unsecured obligation of the Company, payable (if at all) only from the Company's general assets. A vested RSU will be paid to the Participant (or in the event of his or her death, to his or her estate) in whole Shares as soon as practicable after vesting (but no later than 60 days following the vesting date), subject to him or her satisfying any obligations for Tax-Related Items (as defined in Section 7 of this Agreement) and any delay in payment required under Section 7 of this Agreement. The Participant cannot specify (directly or indirectly) the taxable year of the payment of any vested RSU under this Agreement.

3. Vesting. These RSUs will vest only under the Vesting Schedule in the Notice of Grant, Section 4 of this Agreement, or Section 14 of the Plan. RSUs scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur. The Administrator may modify the Vesting Schedule according to its authority under the Plan if the Participant takes a leave of absence or has a reduction in hours worked.

4. Administrator Discretion. The Administrator has the discretion to accelerate the vesting of any RSUs at any time, subject to the terms of the Plan. In that case, those RSUs will be vested as of the date specified by the Administrator.

5. Forfeiture upon Termination of Status as a Service Provider. Upon the Participant's termination as a Service Provider for any reason, these RSUs will immediately stop vesting, and on the 30th day following the Termination of Status Date (or any earlier date on or following the Termination of Status Date determined by the Administrator), any of these RSUs that have not yet vested will be forfeited by the Participant, subject to Applicable Laws. The date of the Participant's termination as a Service Provider is detailed in Section 3(c) of the Plan.

6. Death of Participant. Any distribution or delivery to be made to the Participant under this Agreement will, if he or she is then deceased, be made to the administrator or executor of his or her estate or, if the Administrator permits, his or her designated beneficiary. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

7. Tax Obligations.

(a) **Tax Withholding**.

(i) No Shares will be issued to the Participant until he or she makes satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account, or other tax-related items related to his or her participation in the Plan and legally applicable to him or her that the Administrator

determines must be withheld ("**Tax-Related Items**"), including those that result from the grant, vesting, or payment of these RSUs, the subsequent sale of Shares acquired pursuant to such payment, or the receipt of any dividends. If the Participant is a non-U.S. employee, the method of payment of Tax-Related Items may be restricted by any Appendix. If the Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items under this Agreement when any of these RSUs otherwise are supposed to vest or Tax-Related Items related to RSUs otherwise are due, he or she will permanently forfeit the applicable RSUs and any right to receive Shares under such RSUs, and such RSUs will be returned to the Company at no cost to the Company.

(ii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of a sale of Shares acquired upon payment of these RSUs arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent).

(iii) The Company also has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to the Participant.

(iv) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company and/or any member of the Company Group for whom he or she is performing services (each, an "**Employer**") or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(v) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of these RSUs and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of these RSUs to reduce or eliminate his or her liability for Tax-Related Items or achieve any particular tax result.

(b) **Code Section 409A**. This Section 7(b) does not apply if the Participant is not a U.S. taxpayer.

(i) If the vesting of any RSUs is accelerated in connection with a termination of the Participant's status as a Service Provider that is a "separation from service" within the meaning of Code Section 409A and (x) the Participant is a "specified employee" within the meaning of Code Section 409A at that time and (y) the payment of such accelerated RSUs would result in the imposition of additional tax under Code Section 409A if paid to the Participant within the 6-month period following such termination, then the accelerated RSUs will not be paid until the first day after the 6-month period ends.

(ii) If the Participant's status as a Service Provider terminates due to death or the Participant dies after he or she stops being a Service Provider, the delay under Section 7(b)(i) of this Agreement will not apply, and these RSUs will be paid in Shares to the Participant's estate as soon as practicable.

(iii) All payments and benefits under this Agreement are intended to be exempt from Code Section 409A or comply with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B) so that none of these RSUs or Shares issuable upon the vesting of RSUs will be subject to the additional tax imposed under Code Section 409A, and any ambiguities will be interpreted according to that intent.

(iv) Each payment under this Agreement is a separate payment under Treasury Regulations Section 1.409A-2(b)(2).

8. Forfeiture or Clawback. These RSUs (including any proceeds, gains or other economic benefit received by the Participant from any subsequent sale of Shares issued upon payment of the RSUs) will be subject to any compensation recovery or clawback policy implemented by the Company before or after the date of this Agreement. This includes any clawback policy adopted to comply with the requirements of Applicable Laws.

9. Rights as Stockholder. The Participant's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

10. Acknowledgements and Agreements. The Participant's signature on the Notice of Grant accepting these RSUs indicates that:

(a) HE OR SHE ACKNOWLEDGES AND AGREES THAT THE VESTING OF THESE RSUS IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED OR BEING GRANTED THESE RSUS WILL NOT RESULT IN VESTING.

(b) HE OR SHE FURTHER ACKNOWLEDGES AND AGREES THAT THESE RSUS AND THIS AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL AND DOES NOT INTERFERE IN ANY WAY WITH HIS OR HER RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE HIS OR HER RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that he or she is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant agrees that the Company's delivery of any documents related to the Plan or these RSUs (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to him or her may be made by electronic delivery, which may include the delivery of a link to a Company intranet or to the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that he or she may receive from the Company a paper copy of any documents that were delivered electronically at no cost to him or her by contacting the Company by telephone or in writing. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

(e) The Participant may deliver any documents related to the Plan or these RSUs to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but he or she must provide the Company or any designated third party administrator with a paper copy of any documents if his or her attempted electronic delivery of such documents fails.

(f) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(g) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

(h) The Participant agrees that the grant of these RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past.

(i) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.

(j) The Participant agrees that he or she is voluntarily participating in the Plan.

(k) The Participant agrees that these RSUs and any Shares acquired under these RSUs are not intended to replace any pension rights or compensation.

(l) The Participant agrees that these RSUs, any Shares acquired under these RSUs, and their income and value are not part of normal or expected compensation for any purpose, including for calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.

(m) The Participant agrees that the future value of the Shares underlying these RSUs is unknown, indeterminable, and cannot be predicted with certainty.

(n) The Participant agrees that, for purposes of these RSUs, his or her engagement as a Service Provider is terminated as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), unless otherwise expressly provided in this Agreement or determined by the Administrator.

(o) The Participant agrees that any right to vest in these RSUs terminates as of the Termination of Status Date and will not be extended by any notice period (e.g., the period that he or she is a Service Provider would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws (including common law, if applicable) in the jurisdiction where he or she is a Service Provider or by his or her service agreement or employment agreement, if any, unless he or she is providing bona fide services during such time).

(p) The Participant agrees that the Administrator has the exclusive discretion to determine when he or she is no longer actively providing services for purposes of these RSUs (including whether he or she is still considered to be providing services while on a leave of absence).

(q) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of these RSUs or of any amounts due to him or her from the payment of these RSUs or the subsequent sale of any Shares acquired upon such payment.

(r) The Participant has read and agrees to the Data Privacy Provisions of Section 11 of this Agreement.

(s) The Participant agrees that he or she has no claim or entitlement to compensation or damages from any forfeiture of these RSUs resulting from the termination of his or her status as a Service

Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), and in consideration of the grant of these RSUs to which he or she is otherwise not entitled, he or she irrevocably agrees never to institute any claim against the Company or any member of the Company Group, waives his or her ability (if any) to bring any such claim, and releases the Company and all members of the Company Group from any such claim. If any such claim is nevertheless allowed by a court of competent jurisdiction, then the Participant's participation in the Plan constitutes his or her irrevocable agreement to not pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claim.

11. Data Privacy.

*(a) The Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement and any other Award materials ("***Data***") by and among, as applicable, the Employer(s), the Company and any member of the Company Group for the exclusive purpose of implementing, administering, and managing his or her participation in the Plan.*

(b) The Participant understands that the Company and the Employer(s) may hold certain personal information about him or her, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant understands that Data will be transferred to one or more a stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing his or her participation in the Plan.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that if he or she resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting these RSUs, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing these consents on a purely voluntary basis. If the Participant does not consent or if he or she later seeks to revoke his or her consent, his or her engagement as a Service Provider with the Employer(s) will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Company will not be able to grant him or her awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan (including the right to retain these RSUs). The Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of his or her refusal to consent or withdrawal of consent.

12. Miscellaneous.

(a) **Address for Notices**. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at BlackLine, Inc., 21300 Victory Boulevard, 12th Floor, Woodland Hills, CA 91367 until the Company designates another address in writing.

(b) **Non-Transferability of RSUs.** These RSUs may not be transferred other than by will or the laws of descent or distribution.

(c) **Binding Agreement**. If any RSUs are transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) **Additional Conditions to Issuance of Stock**. If the Company determines that the listing, registration, qualification, or rule compliance of the Common Stock on any securities exchange or under any state, federal, or foreign law or the tax code and related regulations or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to the Participant (or his or her estate), the Company will try to meet the requirements of any such state, federal, or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange, but the Shares will not be issued until such conditions have been met in a manner acceptable to the Company.

(e) **Captions**. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) **Agreement Severable**. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) **Non-U.S. Appendix**. These RSUs are subject to any special terms and conditions set forth in any appendix to this Agreement for the Participant's country (the "**Appendix**"). If the Participant relocates to a country included in the Appendix, the special terms and conditions for that country will apply to him or her to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) **Choice of Law; Choice of Forum.** The Plan, this Agreement, these RSUs, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of these RSUs is his or her consent to the jurisdiction of the State of Delaware and his or her agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where he or she is performing services.

(i) **Modifications to the Agreement**. The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. The Company reserves the right to revise the Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Code Section 409A, to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection with these RSUs, or to comply with other Applicable Laws.

(j) **Waiver**. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by him or her.

EXHIBIT B

APPENDIX TO RESTRICTED STOCK UNIT AGREEMENT

Terms and Conditions

This Appendix to Restricted Stock Unit Agreement (the "**Appendix**") includes additional terms and conditions that govern these RSUs granted to the Participant under the Plan if he or she resides in one of the countries listed below on the Grant Date or he or she moves to one of the listed countries.

Notifications

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other Applicable Laws in effect in the respective countries as of September 2016. Such Applicable Laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant sells Shares acquired under the Plan.

In addition, the information contained in this Appendix is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure him or her of a particular result. The Participant is advised to seek appropriate professional advice as to how the Applicable Laws in his or her country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, transfers employment after these RSUs are granted, or is considered a resident of another country for local law purposes, the information in this Appendix may not apply to him or her, and the Administrator will determine to what extent the terms and conditions in this Appendix apply.

Countries

BLACKLINE, INC.
2016 EQUITY INCENTIVE PLAN

NOTICE OF STOCK OPTION GRANT AND STOCK OPTION AGREEMENT

Capitalized terms that are not defined in this Notice of Stock Option Grant and Stock Option Agreement (the "**Notice of Grant**"), the Terms and Conditions of Stock Option Grant, or any of the exhibits to these documents (all together, the "**Agreement**") have the meanings given to them in the BlackLine, Inc. 2016 Equity Incentive Plan (the "**Plan**").

The Participant has been granted an Option according to the terms below and subject to the terms and conditions of the Plan and this Agreement:

Participant	_____
Grant Number	_____
Grant Date	_____
Vesting Start Date	_____
Number of Shares Granted	_____
Exercise Price per Share	_____
Total Exercise Price	_____
Type of Option	____ Incentive Stock Option
	____ Nonstatutory Stock Option
Expiration Date	_____

Vesting Schedule:

Unless the vesting is accelerated, this Option will be exercisable to the extent vested on the following schedule:

If the Participant continues to be a Service Provider through each such date, 25% of this Option will vest on each of the first four anniversaries of the Vesting Start Date. All vesting will be rounded in accordance with Section 3(f) of the Plan.

If the Participant ceases to be a Service Provider for any or no reason before he or she fully vests in this Option, the unvested portion of this Option will terminate according to the terms of Section 4 of this Agreement.

Exercise of Option:

(a) If the Participant dies or his or her status as a Service Provider is terminated due to his or her Disability, the vested portion of this Option will remain exercisable for 6 months after the Termination of Status Date. For any other termination of status as a Service Provider, the vested portion of this Option will remain exercisable for 60 days after the Termination of Status Date.

(b) If there is a Change in Control or merger of the Company, Section 14 of the Plan may further limit this Option's exercisability.

(c) This Option will not be exercisable after the Expiration Date, unless Section 4(g) of the Plan (which tolls expiration in very limited cases when there are legal restrictions on exercise) permits later exercise.

The Participant's signature below indicates that:

(i) He or she agrees that this Option is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.

(ii) He or she understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding his or her participation in the Plan or his or her acquisition or sale of Shares.

(iii) He or she has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. He or she will consult with his or her own personal tax, legal, and financial advisors before taking any action related to the Plan.

(iv) He or she has read and agrees to each provision of Section 11 of this Agreement.

(v) He or she will notify the Company of any change to the contact address below.

PARTICIPANT

_____

Signature

Address: _____

_____

_____

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant. The Company grants the Participant an Option to purchase Shares of Common Stock as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing this Option, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing this Option.

If the Notice of Grant designates this Option as an Incentive Stock Option ("**ISO**"), this Option is intended to qualify as an ISO under Code Section 422. Even if this Option is designated an ISO, to the extent it first become exercisable as to more than $100,000 in any calendar year, the portion in excess of $100,000 is not an ISO under Code Section 422(d) and that portion will be a Nonstatutory Stock Option ("**NSO**"). In addition, if the Participant exercises the Option after 3 months have passed since he or she ceased to be an employee of the Company or a Parent or Subsidiary of the Company, it will no longer be an ISO. If there is any other reason this Option (or a portion of it) will not qualify as an ISO, to the extent of such nonqualification, the Option will be an NSO. The Participant understands that he or she will have no recourse against the Administrator, any member of the Company Group, or any officer or director of a member of the Company Group if any portion of this Option is not an ISO.

2. Vesting. This Option will only be exercisable (also referred to as vested) under the Vesting Schedule in the Notice of Grant, Section 3 of this Agreement, or Section 14 of the Plan. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur. The Administrator may modify the Vesting Schedule according to its authority under the Plan if the Participant takes a leave of absence or has a reduction in hours worked.

3. Administrator Discretion. The Administrator may accelerate the vesting of any portion of this Option. In that case, this Option will be vested as of the date and to the extent specified by the Administrator.

4. Forfeiture upon Termination of Status as a Service Provider. Upon the Participant's termination as a Service Provider for any reason, this Option will immediately stop vesting, and on the 30th day following the Termination of Status Date (or any earlier date on or following the Termination of Status Date determined by the Administrator), any portion of this Option that has not yet vested will be immediately forfeited for no consideration, subject to Applicable Laws. The date of the Participant's termination as a Service Provider is detailed in Section 3(c) of the Plan.

5. Death of Participant. Any distribution or delivery to be made to the Participant under this Agreement will, if he or she is then deceased, be made to the administrator or executor of his or her estate or, if the Administrator permits, his or her designated beneficiary. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

6. Exercise of Option.

(a) **Right to Exercise**. This Option may be exercised only before its Expiration Date and only under the Plan and this Agreement.

(b) **Method of Exercise**. To exercise this Option, the Participant must deliver and the Administrator must receive an exercise notice according to procedures determined by the Administrator. The exercise notice must:

(i) state the number of Shares as to which this Option is being exercised ("**Exercised Shares**"),

(ii) make any representations or agreements required by the Company,

(iii) be accompanied by a payment of the total exercise price for all Exercised Shares, and

(iv) be accompanied by a payment of all required Tax-Related Items (defined in Section 8(a) of this Agreement) for all Exercised Shares.

The Option is exercised when both the exercise notice and payments due under Sections 6(b)(iii) and 6(b)(iv) have been received by the Company for all Exercised Shares. The Administrator may designate a particular exercise notice to be used, but until a designation is made, the exercise notice attached to this Agreement as Exhibit C may be used.

7. Method of Payment. The Participant may pay the exercise price for Exercised Shares by any of the following methods or a combination of methods:

(a) cash;

(b) check;

(c) wire transfer;

(d) consideration received by the Company under a formal cashless exercise program adopted by the Company; or

(e) surrender of other Shares, as long as the Company determines that accepting such Shares does not result in any adverse accounting consequences to the Company. If Shares are surrendered, the value of those Shares will be the Fair Market Value for those Shares on the date they are surrendered.

A non-U.S. resident's methods of exercise may be restricted by the terms and condition of any appendix to this Agreement for the Participant's country (the "**Appendix**").

8. Tax Obligations.

(a) **Tax Withholding**.

(i) No Shares will be issued to the Participant until he or she makes satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account, or other tax-related items related to his or her participation in the Plan and legally applicable to him or her that the Administrator determines must be withheld ("**Tax-Related Items**"), including those that result from the grant, vesting, or exercise of this Option, the subsequent sale of Shares acquired under this Option or the receipt of any dividends. If the Participant is a non-U.S. employee, the method of payment of Tax-Related Items may be restricted by any Appendix. If the Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items under this Agreement at the time of an attempted Option exercise, the Company may refuse to honor the exercise and refuse to deliver the Shares.

(ii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of a sale of Shares acquired upon the exercise of this Option arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent).

(iii) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to the Participant.

(iv) The Participant authorizes the Company and/or any member(s) of the Company Group for whom he or she is performing services (each, an "**Employer**") to withhold any Tax-Related Items legally payable by the Participant from his or her wages or other cash compensation paid to the Participant by the Company and/or the Employer(s) or from proceeds of the sale of Shares.

(v) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company and/or the Employer(s) or former Employer(s) may withhold or account for tax in greater than one jurisdiction.

(vi) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of this Option to reduce or eliminate his or her liability for Tax-Related Items or achieve any particular tax result.

(b) **Tax Reporting**. This Section 8(b) applies if the Participant is a U.S. taxpayer. If this Option is partially or wholly an ISO, and if the Participant sells or otherwise disposes of any the Shares acquired by exercising the ISO portion on or before the later of (i) the date 2 years after the Grant Date, or (ii) the date 1 year after the date of exercise, he or she may be subject to withholding of Tax-Related Items by the Company on the compensation income recognized by him or her and must immediately notify the Company in writing of the disposition.

9. Forfeiture or Clawback. This Option (including any proceeds, gains or other economic benefit received by the Participant from any subsequent sale of Shares resulting from the exercise) will be subject to any compensation recovery or clawback policy implemented by the Company before or after the date of this Agreement. This includes any clawback policy adopted to comply with the requirements of Applicable Laws.

10. Rights as Stockholder. The Participant's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

11. Acknowledgements and Agreements. The Participant's signature on the Notice of Grant accepting this Option indicates that:

(a) HE OR SHE ACKNOWLEDGES AND AGREES THAT THE VESTING OF THIS OPTION IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED, GRANTED THIS OPTION, AND EXERCISING THE OPTION WILL NOT RESULT IN VESTING.

(b) HE OR SHE FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AND AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND DOES NOT INTERFERE IN ANY WAY WITH HIS OR HER RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE HIS OR HER RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that he or she is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant understands that exercise of this Option is governed strictly by Sections 6, 7, and 8 of this Agreement and that failure to comply with those Sections could result in the expiration of this Option, even if an attempt was made to exercise.

(e) The Participant agrees that the Company's delivery of any documents related to the Plan or this Option (including the Plan, the Agreement, the Plan's prospectus and any reports of the Company provided generally to the Company's stockholders) to him or her may be made by electronic delivery, which may include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that he or she may receive from the Company a paper copy of any documents that were delivered electronically at no cost to him or her by contacting the Company by telephone or in writing. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

(f) The Participant may deliver any documents related to the Plan or this Option to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but he or she must provide the Company or any designated third party administrator with a paper copy of any documents if his or her attempted electronic delivery of such documents fails.

(g) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(h) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

(i) The Participant agrees that the grant of this Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past.

(j) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.

(k) The Participant agrees that he or she is voluntarily participating in the Plan.

(l) The Participant agrees that this Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation.

(m) The Participant agrees that this Option, any Shares acquired under the Plan, and their income and value of same are not part of normal or expected compensation for any purpose, including for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.

(n) The Participant agrees that the future value of the Shares underlying this Option is unknown, indeterminable, and cannot be predicted with certainty.

(o) The Participant understands that if the underlying Shares do not increase in value, this Option will have no intrinsic monetary value.

(p) The Participant understands that if this Option is exercised, the value of each Share received on exercise may increase or decrease in value, even below the Exercise Price per Share.

(q) The Participant agrees that, for purposes of this Option, his or her engagement as a Service Provider is terminated as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), unless otherwise expressly provided in this Agreement or determined by the Administrator.

(r) The Participant agrees that any right to vest in this Option terminates as of the Termination of Status Date and will not be extended by any notice period (e.g., the period that he or she is a Service Provider would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws (including common law, if applicable) in the jurisdiction where he or she is a Service Provider or by his or her service agreement or employment agreement, if any, unless he or she is providing bona fide services during such time).

(s) The Participant agrees that the period during which the Participant may exercise the vested portion of this Option after a termination of his or her status as a Service Provider (if any) will start as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), unless otherwise expressly provided in this Agreement or determined by the Administrator.

(t) The Participant agrees that the Administrator has the exclusive discretion to determine when he or she is no longer actively providing services for purposes of this Option (including whether he or she is still considered to be providing services while on a leave of absence).

(u) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Option or of any amounts due to him or her from the exercise of this Option or the subsequent sale of any Shares acquired upon exercise.

(v) The Participant has read and agrees to the Data Privacy Provisions of Section 12 of this Agreement.

(w) The Participant agrees that he or she has no claim or entitlement to compensation or damages from any forfeiture of this Option resulting from the termination of his or her status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), and in consideration of the grant of this Option to which he or she is otherwise not entitled, he or she irrevocably agrees never to institute any claim against the Company or any member of the Company Group, waives his or her ability (if any) to bring any such claim, and releases the Company and all members of the Company Group from any such claim. If any such claim is nevertheless allowed by a court of competent jurisdiction, then the Participant's participation in the Plan constitutes his or her irrevocable agreement to not pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claim.

12. Data Privacy**.**

*(a) The Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement and any other Award materials ("***Data***") by and among, as applicable, the Employer(s), the Company and any member of the Company Group for the exclusive purpose of implementing, administering, and managing his or her participation in the Plan.*

(b) The Participant understands that the Company and the Employer(s) may hold certain personal information about him or her, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant understands that Data will be transferred to one or more a stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing his or her participation in the Plan.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that if he or she resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting this Option, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing these consents on a purely voluntary basis. If the Participant does not consent or if he or she later seeks to revoke his or her consent, his or her engagement as a Service Provider with the Employer(s) will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Company will not be able to grant him or her awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan (including the right to retain this Option). The Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of his or her refusal to consent or withdrawal of consent.

13. Miscellaneous

(a) **Address for Notices**. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at BlackLine, Inc., 21300 Victory Boulevard, 12th Floor, Woodland Hills, CA 91367 until the Company designates another address in writing.

(b) **Non-Transferability of Option**. This Option may not be transferred other than by will or the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her or his or her representative following a Disability.

(c) **Binding Agreement**. If this Option is transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) **Additional Conditions to Issuance of Stock**. If the Company determines that the listing, registration, qualification, or rule compliance of the Common Stock on any securities exchange or under any

state, federal, or foreign law or the tax code and related regulations or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to the Participant (or his or her estate), the Company will try to meet the requirements of any such state, federal, or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange, but the Shares will not be issued until such conditions have been met in a manner acceptable to the Company.

(e) **Captions**. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) **Agreement Severable**. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) **Non-U.S. Appendix**. This Option is subject to any special terms and conditions set forth in any Appendix. If the Participant relocates to a country included in the Appendix, the special terms and conditions for that country will apply to him or her to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) **Choice of Law; Choice of Forum**. The Plan, this Agreement, this Option, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of this Option is his or her consent to the jurisdiction of the State of Delaware and his or her agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where he or she is performing services.

(i) **Modifications to the Agreement**. The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. The Company reserves the right to revise the Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with Code Section 409A, to otherwise avoid imposition of any additional tax or income recognition under Code Section 409A in connection with this Option, or to comply with other Applicable Laws.

(j) **Waiver**. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by him or her.

EXHIBIT B

APPENDIX TO STOCK OPTION AGREEMENT

Terms and Conditions

This Appendix to Stock Option Agreement (the "**Appendix**") includes additional terms and conditions that govern this Option granted to the Participant under the Plan if he or she resides in one of the countries listed below on the Grant Date or he or she moves to one of the listed countries.

Notifications

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other Applicable Laws in effect in the respective countries as of September 2016. Such Applicable Laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant sells Shares acquired under the Plan.

In addition, the information contained in this Appendix is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure him or her of a particular result. The Participant is advised to seek appropriate professional advice as to how the Applicable Laws in his or her country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, transfers employment after this Option is granted, or is considered a resident of another country for local law purposes, the information in this Appendix may not apply to him or her, and the Administrator will determine to what extent the terms and conditions in this Appendix apply.

Countries

EXHIBIT C

BLACKLINE, INC.
2016 EQUITY INCENTIVE PLAN

EXERCISE NOTICE

BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367

Attention: Stock Administration

Purchaser Name:
Grant Date of Stock Option (the "**Option**"):
Exercise Date:
Number of Shares Exercised:
Per Share Exercise Price:
Total Exercise Price:
Exercise Price Payment Method:
Tax-Related Items Payment Method:

The information in the table above is incorporated in this Exercise Notice.

1. **Exercise of Option**. Effective as the Exercise Date, I elect to purchase the Number of Shares Exercised ("**Exercised Shares**") under the Stock Option Agreement for the Option (the "**Agreement**") for the Total Exercise Price. Capitalized terms used but not defined in this Exercise Notice have the meanings given to them in the 2016 Equity Incentive Plan (the "**Plan**") and/or the Agreement.

2. **Delivery of Payment**. With this Exercise Notice, I am delivering the Total Exercise Price and any required Tax-Related Items to be paid in connection with purchase of the Exercised Shares. I am paying my total purchase price by the Exercise Price Payment Method and the Tax-Related Items by the Tax-Related Items Payment Method.

3. **Representations of Purchaser**. I acknowledge that:

(a) I have received, read, and understood the Plan and the Agreement and agree to be bound by their terms and conditions.

(b) The exercise will not be completed until this Exercise Notice, Total Exercise Price, and all Tax-Related Payments are received by the Company.

(c) I have no rights as a stockholder of the Company (including the right to vote and receive dividends and distributions) on the Exercised Shares until the Exercised Shares have been issued and recorded on the records of the Company or its transfer agents or registrars.

(d) No adjustment will be made for a dividend or other right for which the record date is before the date of issuance, except for adjustments under Section 13 of the Plan.

(e) There may be adverse tax consequences to exercising the Option, and I am not relying on the Company for tax advice and have had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to exercising.

(f) The modification and choice of law provisions of the Agreement also govern this Exercise Notice.

4. **Entire Agreement; Governing Law**. The Plan and the Agreement are incorporated by reference. This Exercise Notice, the Plan, and the Agreement are the entire agreement of the parties with respect to the Options and this exercise and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to their subject matter.

Submitted by:

PURCHASER

_____

Signature

Address: _____

_____

_____

BLACKLINE, INC.
2016 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK AWARD AND RESTRICTED STOCK AGREEMENT

Capitalized terms that are not defined in this Notice of Restricted Stock Award and Restricted Stock Agreement (the "**Notice of Grant**"), the Terms and Conditions of Restricted Stock Award, or any of the exhibits to these documents (all together, the "**Agreement**") have the meanings given to them in the BlackLine, Inc. 2016 Equity Incentive Plan (the "**Plan**").

The Participant has been granted this Restricted Stock award according to the terms below and subject to the terms and conditions of the Plan and this Agreement, as follows:

Participant	_____
Grant Number	_____
Grant Date	_____
Vesting Start Date	_____
Number of Shares Granted	_____

Vesting Schedule:

Unless the vesting is accelerated, these Shares of Restricted Stock will vest on the following schedule:

If the Participant continues to be a Service Provider through each such date, 25% of these Shares of Restricted Stock will vest on each of the first four anniversaries following the Vesting Start Date. All vesting will be rounded in accordance with Section 3(f) of the Plan.

If the Participant ceases to be a Service Provider for any or no reason before he or she fully vests in these Shares of Restricted Stock, the unvested Shares of Restricted Stock will terminate according to the terms of Section 5 of this Agreement.

The Participant's signature below indicates that:

(i) He or she agrees that this Restricted Stock award is granted under and governed by the terms and conditions of the Plan and this Agreement, including their exhibits and appendices.

(ii) He or she understands that the Company is not providing any tax, legal, or financial advice and is not making any recommendations regarding his or her participation in the Plan or his or her acquisition or sale of Shares.

(iii) He or she has reviewed the Plan and this Agreement, has had an opportunity to obtain the advice of personal tax, legal, and financial advisors prior to signing this Agreement, and fully understands all provisions of the Plan and Agreement. He or she will consult with his or her own personal tax, legal, and financial advisors before taking any action related to the Plan.

(iv) He or she has read and agrees to each provision of Section 10 of this Agreement.

(v) He or she will notify the Company of any change to the contact address below.

PARTICIPANT

_____

Signature

Address: _____

_____

_____

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK AWARD

1. Grant. The Company grants the Participant an award of Restricted Stock as described in the Notice of Grant. If there is a conflict between the Plan, this Agreement, or any other agreement with the Participant governing these Shares of Restricted Stock, those documents will take precedence and prevail in the following order: (a) the Plan, (b) the Agreement, and (c) any other agreement between the Company and the Participant governing these Shares of Restricted Stock.

2. Escrow of Shares.

(a) Once the Participant signs this Agreement, all of these Shares of Restricted Stock will be delivered to an escrow holder designated by the Company (the "Escrow Holder") and will be held by the Escrow Holder until these Shares of Restricted Stock vest or the Participant ceases to be a Service Provider.

(b) The Escrow Holder is not liable for any act it does or does not do for purposes of holding these Shares of Restricted Stock in escrow.

(c) The Escrow Holder will transfer any vested Shares of Restricted Stock to the Participant at his or her request.

(d) The Participant has no right to receive cash dividends on any of these Shares of Restricted Stock that are held in escrow but has all other rights of a stockholder for such Shares, including the right to vote.

(e) These Shares of Restricted Stock will be subject to any adjustments made according to Section 13(a) of the Plan.

(f) The Company may instruct the transfer agent for the Common Stock to record the restrictions on transfer in this Agreement by placing a legend on the certificates representing the Restricted Stock or otherwise noting its records.

3. Vesting. These Shares of Restricted Stock will vest only under the Vesting Schedule in the Notice of Grant, Section 4 of this Agreement, or Section 14 of the Plan. Shares of Restricted Stock scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest unless the Participant continues to be a Service Provider until the time such vesting is scheduled to occur. The Administrator may modify the Vesting Schedule according to its authority under the Plan if the Participant takes a leave of absence or has a reduction in hours worked.

4. Administrator Discretion. The Administrator has the discretion to accelerate the vesting of any number of unvested Shares of Restricted Stock at any time, subject to the terms of the Plan. In that case, those Shares of Restricted Stock will be vested as of the date specified by the Administrator.

5. Forfeiture upon Termination of Status as a Service Provider. Upon the Participant's termination as a Service Provider for any reason, these Shares of Restricted Stock will immediately stop vesting, and on the 30th day following the Termination of Status Date (or any earlier date on or following the Termination of Status Date determined by the Administrator), any of these Shares of Restricted Stock that have not yet vested will be forfeited by the Participant and automatically transferred by the Escrow Holder to the Company at no cost to the Company, subject to Applicable Laws. The Participant will not be refunded any price paid for such Shares and will have no further rights under this Agreement. The Participant appoints the Escrow Holder with full

power of substitution (as the Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of the Participant) to take any action and execute all documents and instruments, including stock powers necessary to transfer the certificate(s) evidencing such unvested Shares of Restricted Stock to the Company upon such termination. The date of the Participant's termination as a Service Provider is detailed in Section 3(c) of the Plan.

6. Death of Participant. Any distribution or delivery to be made to the Participant under this Agreement will, if he or she is then deceased, be made to the administrator or executor of his or her estate or, if the Administrator permits, his or her designated beneficiary. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations that apply to the transfer.

7. Tax Withholding.

(a) No Shares of Restricted Stock may be released from escrow until the Participant makes satisfactory arrangements (as determined by the Administrator) for the payment of income, employment, social insurance, National Insurance Contributions, payroll tax, fringe benefit tax, payment on account, or other tax-related items related to his or her participation in the Plan and legally applicable to him or her that the Administrator determines must be withheld ("**Tax-Related Items**"), including those that result from the grant, vesting, or subsequent sale of Shares of Restricted Stock or the receipt of any dividends . If the Participant is a non-U.S. employee, the method of payment of Tax-Related Items may be restricted by any Appendix. If the Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items under this Agreement when any of these Shares of Restricted Stock otherwise are supposed to vest or Tax-Related Items related to these Shares of Restricted Stock otherwise are due, he or she will permanently forfeit the applicable Shares of Restricted Stock and such Shares of Restricted Stock will be returned to the Company at no cost to the Company.

(b) The Company has the right (but not the obligation) to satisfy any Tax-Related Items by withholding from proceeds of a sale of any of these Shares of Restricted Stock that have vested arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent).

(c) The Company also has the right (but not the obligation) to satisfy any Tax-Related Items by reducing the number of Shares otherwise deliverable to the Participant.

(d) Further, if the Participant is subject to taxation in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, the Company and/or any member of the Company Group for whom he or she is performing services (each, an "**Employer**") or former Employer(s) may withhold or account for tax in more than one jurisdiction.

(e) Regardless of any action of the Company or the Employer(s), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer(s). The Participant further acknowledges that the Company and the Employer(s) (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of these Shares of Restricted Stock and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of these Shares of Restricted Stock to reduce or eliminate his or her liability for Tax-Related Items or achieve any particular tax result.

8. Forfeiture or Clawback. These Shares of Restricted Stock (including any proceeds, gains or other economic benefit received by the Participant from their subsequent sale) will be subject to any compensation recovery or clawback policy implemented by the Company before or after the date of this Agreement. This includes any clawback policy adopted to comply with the requirements of Applicable Laws.

9. Rights as Stockholder. The Participant's rights as a stockholder of the Company (including the right to vote and to receive dividends and distributions) will not begin until these Shares of Restricted Stock have been issued and recorded on the records of the Company or its transfer agents or registrars.

10. Acknowledgements and Agreements. The Participant's signature on the Notice of Grant accepting these Shares of Restricted Stock indicates that:

(a) HE OR SHE ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE SHARES OF RESTRICTED STOCK IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AND THAT BEING HIRED OR BEING GRANTED THESE SHARES OF RESTRICTED STOCK DO NOT RESULT IN VESTING.

(b) HE OR SHE FURTHER ACKNOWLEDGES AND AGREES THAT THESE SHARES OF RESTRICTED STOCK AND THIS AGREEMENT DO NOT CREATE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL AND DOES NOT INTERFERE IN ANY WAY WITH HIS OR HER RIGHT OR THE RIGHT OF THE EMPLOYER(S) TO TERMINATE HIS OR HER RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE, SUBJECT TO APPLICABLE LAWS.

(c) The Participant agrees that this Agreement and its incorporated documents reflect all agreements on its subject matters and that he or she is not accepting this Agreement based on any promises, representations, or inducements other than those reflected in the Agreement.

(d) The Participant agrees that the Company's delivery of any documents related to the Plan or these Shares of Restricted Stock (including the Plan, the Agreement, the Plan's prospectus, and any reports of the Company provided generally to the Company's stockholders) to him or her may be made by electronic delivery, which may include the delivery of a link to a Company intranet or to the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail, or any other means of electronic delivery specified by the Company. If the attempted electronic delivery of such documents fails, the Participant will be provided with a paper copy of the documents. The Participant acknowledges that he or she may receive from the Company a paper copy of any documents that were delivered electronically at no cost to him or her by contacting the Company by telephone or in writing. The Participant may revoke his or her consent to the electronic delivery of documents or may change the electronic mail address to which such documents are to be delivered (if the Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents.

(e) The Participant may deliver any documents related to the Plan or these Shares of Restricted Stock to the Company by e-mail or any other means of electronic delivery approved by the Administrator, but he or she must provide the Company or any designated third party administrator with a paper copy of any documents if his or her attempted electronic delivery of such documents fails.

(f) The Participant accepts that all good faith decisions or interpretations of the Administrator regarding the Plan and Awards under the Plan are binding, conclusive, and final. No member of the Administrator will be personally liable for any such decisions or interpretations.

(g) The Participant agrees that the Plan is established voluntarily by the Company, is discretionary in nature, and may be amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan.

(h) The Participant agrees that the grant of these Shares of Restricted Stock is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock or benefits in lieu of restricted stock, even if restricted stock has been granted in the past.

(i) The Participant agrees that any decisions regarding future Awards will be in the Company's sole discretion.

(j) The Participant agrees that he or she is voluntarily participating in the Plan.

(k) The Participant agrees that these Shares of Restricted Stock are not intended to replace any pension rights or compensation.

(l) The Participant agrees that these Shares of Restricted Stock and their income and value are not part of normal or expected compensation for any purpose, including for calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits, or similar payments.

(m) The Participant agrees that the future value of these Shares of Restricted Stock is unknown, indeterminable, and cannot be predicted with certainty.

(n) The Participant agrees that, for purposes of these Shares of Restricted Stock , his or her engagement as a Service Provider is terminated as of the Termination of Status Date (regardless of the reason for such termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), unless otherwise expressly provided in this Agreement or determined by the Administrator.

(o) The Participant agrees that any right to vest in these Shares of Restricted Stock terminates as of the Termination of Status Date and will not be extended by any notice period (e.g., the period that he or she is a Service Provider would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws (including common law, if applicable) in the jurisdiction where he or she is a Service Provider or by his or her service agreement or employment agreement, if any, unless he or she is providing bona fide services during such time).

(p) The Participant agrees that the Administrator has the exclusive discretion to determine when he or she is no longer actively providing services for purposes of these Shares of Restricted Stock (including whether he or she is still considered to be providing services while on a leave of absence).

(q) The Participant agrees that no member of the Company Group is liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of these Shares of Restricted Stock or of any amounts due to him or her upon the sale of any of these Shares of Restricted Stock.

(r) The Participant has read and agrees to the Data Privacy Provisions of Section 11 of this Agreement.

(s) The Participant agrees that he or she has no claim or entitlement to compensation or damages from any forfeiture of these Shares of Restricted Stock resulting from the termination of his or her status as a Service Provider (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where he or she is a Service Provider or the terms of his or her service agreement, if any), and in consideration of the grant of these Shares of Restricted Stock to which he or she is otherwise not entitled, he or she irrevocably agrees never to institute any claim against the Company or any member of the Company Group, waives his or her ability (if any) to bring any such claim, and releases the Company and all members of the Company Group from any such claim. If any such claim is nevertheless allowed by a court of competent jurisdiction, then the Participant's participation in the Plan constitutes his or her irrevocable agreement to not pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claim.

11. Data Privacy.

*(a) The Participant voluntarily consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement and any other Award materials ("***Data***") by and among, as applicable, the Employer(s), the Company and any member of the Company Group for the exclusive purpose of implementing, administering, and managing his or her participation in the Plan.*

(b) The Participant understands that the Company and the Employer(s) may hold certain personal information about him or her, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all equity awards or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in his or her favor, for the exclusive purpose of implementing, administering, and managing the Plan.

(c) The Participant understands that Data will be transferred to one or more a stock plan service provider(s) selected by the Company, which may assist the Company with the implementation, administration, and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than his or her country. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing his or her participation in the Plan.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that if he or she resides in certain jurisdictions outside the United States, to the extent required by Applicable Laws, he or she may, at any time, request access to Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given by accepting these Shares of Restricted Stock, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing these consents on a purely voluntary basis. If the Participant does not consent or if he or she later seeks to revoke his or her consent, his or her engagement as a Service Provider with the Employer(s) will not be adversely affected; the only consequence of refusing or withdrawing his or her consent is that the Company will not be able to grant him or her awards under the Plan or administer or maintain awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan (including the right to retain

these Shares of Restricted Stock). The Participant understands that he or she may contact his or her local human resources representative for more information on the consequences of his or her refusal to consent or withdrawal of consent.

12. Miscellaneous.

(a) **Address for Notices**. Any notice to be given to the Company under the terms of this Agreement must be addressed to the Company at BlackLine, Inc., 21300 Victory Boulevard, 12th Floor, Woodland Hills, CA 91367 until the Company designates another address in writing.

(b) **Non-Transferability of Restricted Stock.** These Shares of Restricted Stock may not be transferred other than by will or the laws of descent or distribution.

(c) **Binding Agreement**. If any Shares of Restricted Stock are transferred, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors, and assigns of the parties to this Agreement.

(d) **Additional Conditions to Issuance of Stock and Release from Escrow**. If the Company determines that the listing, registration, qualification, or rule compliance of the Common Stock on any securities exchange or under any state, federal, or foreign law or the tax code and related regulations or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of these Shares of Restricted Stock or their release from escrow to the Participant (or his or her estate), the Company will try to meet the requirements of any such state, federal, or foreign law or securities exchange and to obtain any such consent or approval of any such governmental authority or securities exchange, but these Shares of Restricted Stock will not be issued until such conditions have been met in a manner acceptable to the Company.

(e) **Captions**. Captions provided in this Agreement are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

(f) **Agreement Severable**. If any provision of this Agreement is held invalid or unenforceable, that provision will be severed from the remaining provisions of this Agreement and the invalidity or unenforceability will have no effect on the remainder of the Agreement.

(g) **Non-U.S. Appendix**. These Shares of Restricted Stock are subject to any special terms and conditions set forth in any appendix to this Agreement for the Participant's country (the "**Appendix**"). If the Participant relocates to a country included in the Appendix, the special terms and conditions for that country will apply to him or her to the extent the Company determines that applying such terms and conditions is necessary or advisable for legal or administrative reasons.

(h) **Choice of Law; Choice of Forum.** The Plan, this Agreement, these Shares of Restricted Stock, and all determinations made and actions taken under the Plan, to the extent not otherwise governed by the laws of the United States, will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law. For purposes of litigating any dispute that arises under the Plan, the Participant's acceptance of these Shares of Restricted Stock is his or her consent to the jurisdiction of the State of Delaware and his or her agreement that any such litigation will be conducted in the Delaware Court of Chancery or the federal courts for the United States for the District of Delaware and no other courts, regardless of where he or she is performing services.

(i) **Modifications to the Agreement**. The Plan and this Agreement constitute the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. The Company reserves the right to revise the Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, to comply with other Applicable Laws.

(j) **Waiver**. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement by him or her.

EXHIBIT B

APPENDIX TO RESTRICTED STOCK AGREEMENT

Terms and Conditions

This Appendix to Restricted Stock Agreement (the "**Appendix**") includes additional terms and conditions that govern these Shares of Restricted Stock granted to the Participant under the Plan if he or she resides in one of the countries listed below on the Grant Date or he or she moves to one of the listed countries.

Notifications

This Appendix may also include information regarding exchange controls and certain other issues of which the Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other Applicable Laws in effect in the respective countries as of September 2016. Such Applicable Laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Participant sells Shares acquired under the Plan.

In addition, the information contained in this Appendix is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure him or her of a particular result. The Participant is advised to seek appropriate professional advice as to how the Applicable Laws in his or her country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working, transfers employment after these Shares of Restricted Stock are granted, or is considered a resident of another country for local law purposes, the information in this Appendix may not apply to him or her, and the Administrator will determine to what extent the terms and conditions in this Appendix apply.

Countries

Exhibit 10.11

BLACKLINE, INC.

EMPLOYEE INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. The Plan is intended to increase shareholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities and (b) achieve the Company's objectives.

2. Definitions.

(a) "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the Committee's authority under Section 3(d) to modify the award.

(b) "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) controlled by the Company.

(c) "Board" means the Board of Directors of the Company.

(d) "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Committee establishes the Bonus Pool for each Performance Period.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) "Committee" means the committee appointed by the Board (pursuant to Section 5) to administer the Plan. Unless and until the Board otherwise determines, the Board's Compensation Committee will administer the Plan.

(g) "Company" means BlackLine, Inc., a Delaware corporation, or any successor thereto.

(h) "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Committee from time to time.

(i) "Employee" means any executive, officer, or other employee of the Company or of an Affiliate, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

(j) "Fiscal Year" means the fiscal year of the Company.

(k) "Participant" means as to any Performance Period, an Employee who has been selected by the Committee for participation in the Plan for that Performance Period.

(l) "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Committee in its sole discretion. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Committee desires to measure some performance criteria over 12 months and other criteria over three months.

(m) "Plan" means this Employee Incentive Compensation Plan, as set forth in this instrument (including any appendix attached hereto) and as hereafter amended from time to time.

(n) "Target Award" means the target award, at 100% of target level performance achievement, payable under the Plan to a Participant for the Performance Period, as determined by the Committee in accordance with Section 3(b).

(o) "Termination of Service" means a cessation of the employee-employer relationship between an Employee and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous reemployment by the Company or an Affiliate.

3. Selection of Participants and Determination of Awards.

(a) Selection of Participants. The Committee, in its sole discretion, will select the Employees who will be Participants for any Performance Period. Participation in the Plan is in the sole discretion of the Committee, on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods.

(b) Determination of Target Awards. The Committee, in its sole discretion, will establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula as the Committee determines).

(c) Bonus Pool. Each Performance Period, the Committee, in its sole discretion, will establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool.

(d) Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Committee may, in its sole discretion and at any time, (i) increase, reduce or eliminate a Participant's Actual Award, and/or (ii) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, in the Committee's discretion. The Committee may determine the amount of any increase, reduction or elimination on the basis of such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

(e) Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Committee, in its sole discretion, will determine the performance goals (if any)

applicable to any Target Award (or portion thereof) which may include, without limitation, (i) annualized recurring revenue; (ii) attainment of research and development milestones, (iii) bookings, (iv) business divestitures and acquisitions, (v) cash flow, (vi) cash position, (vii) contract awards or backlog, (viii) customer renewals, (ix) customer retention rates, (x) earnings (which may include earnings before interest and taxes, earnings before taxes, and net taxes), (xi) earnings per share, (xii) expenses, (xiii) free cash flow, (xiv) gross margin, (xv) growth in stockholder value relative to the moving average of the S&P 500 Index or another index, (xvi) internal rate of return, (xvii) market share, (xviii) net income, (xix) net profit, (xx) net sales, (xxi) new product development, (xxii) new product invention or innovation, (xxiii) number of customers, (xxiv) operating cash flow, (xxv) operating expenses, (xxvi) operating income, (xxvii) operating margin, (xxviii) overhead or other expense reduction, (xxix) product defect measures, (xxx) product release timelines, (xxxi) productivity, (xxxii) profit, (xxxiii) retained earnings, (xxxiv) return on assets, (xxxv) return on capital, (xxxvi) return on equity, (xxxvii) return on investment, (xxxviii) return on sales, (xxxxix) revenue, (xl) revenue growth, (xli) sales results, (xlii) sales growth, (xliii) stock price, (xliv) time to market, (xlv) total stockholder return, (xlvii) working capital and (xlvii) individual objectives such as peer reviews or other subjective or objective criteria. As determined by the Committee, the performance goals may be based on generally accepted accounting principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Committee for one-time items or unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The goals may be on the basis of any factors the Committee determines relevant, and may be on an individual, divisional, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Committee determines, including but not limited to, as applicable, (A) in absolute terms, (B) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (C) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (D) on a per-share basis, (E) against the performance of the Company as a whole or a segment of the Company and/or (F) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the goals will result in a failure to earn the Target Award, except as provided in Section 3(d). The Committee also may determine that a Target Award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) in the sole discretion of the Committee.

4. Payment of Awards.

(a) Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

(b) Timing of Payment. Payment of each Actual Award shall be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Committee, but in no event later than the later of (i) the 15th day of the third month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award is first no longer subject to a substantial risk of forfeiture, and (ii) March 15 of the calendar year immediately following the calendar year in which the Participant's Actual Award is

first no longer subject to a substantial risk of forfeiture. Unless otherwise determined by the Committee, to earn an Actual Award a Participant must be employed by the Company or any Affiliate on the date the Actual Award is paid.

It is the intent that this Plan be exempt from or comply with the requirements of Code Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

(c) Form of Payment. Each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum. The Committee reserves the right, in its sole discretion, to settle an Actual Award with a grant of an equity award under the Company's then-current equity compensation plan.

(d) Payment in the Event of Death or Disability. If a Participant dies or is terminated due to his or her Disability prior to the payment of an Actual Award the Committee has determined will be paid for a prior Performance Period, the Actual Award will be paid to his or her estate or to the Participant, as the case may be, subject to the Committee's discretion to reduce or eliminate any Actual Award otherwise payable.

5. Plan Administration.

(a) Committee is the Administrator. The Plan will be administered by the Committee. The Committee will consist of not less than two members of the Board. The members of the Committee will be appointed from time to time by, and serve at the pleasure of, the Board.

(b) Committee Authority. It will be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine which Employees will be granted awards, (ii) prescribe the terms and conditions of awards, (iii) interpret the Plan and the awards, (iv) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside of the United States, (v) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (vi) interpret, amend or revoke any such rules.

(c) Decisions Binding. All determinations and decisions made by the Committee, the Board, and/or any delegate of the Committee pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

(d) Delegation by Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company.

(e) Indemnification. Each person who is or will have been a member of the Committee will be indemnified and held harmless by the Company against and from (i) any loss,

cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

6. General Provisions.

(a) Tax Withholding. The Company or any Affiliate will withhold all applicable taxes from any Actual Award, including any federal, state and local taxes (including, but not limited to, the Participant's FICA and SDI obligations).

(b) No Effect on Employment or Service. Nothing in the Plan will interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or service at any time, with or without cause. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) will not be deemed a Termination of Service. Employment with the Company and its Affiliates is on an at-will basis only. The Company expressly reserves the right, which may be exercised at any time and without regard to when during a Performance Period such exercise occurs, to terminate any individual's employment with or without cause, and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant.

(c) Participation. No Employee will have the right to be selected to receive an award under this Plan, or, having been so selected, to be selected to receive a future award.

(d) Successors. All obligations of the Company under the Plan, with respect to awards granted hereunder, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

(e) Nontransferability of Awards. No award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution. All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

(a) Amendment, Suspension, or Termination. The Board and/or the Committee, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the

Participant, alter or impair any rights or obligations under any Actual Award theretofore earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

(b) Duration of Plan. The Plan will commence on the date first adopted by the Board or the Compensation Committee of the Board, and subject to Section 7(a) (regarding the Board's and/or the Committee's right to amend or terminate the Plan), will remain in effect thereafter until terminated.

8. Legal Construction.

(a) Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

(b) Severability. In the event any provision of the Plan will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

(c) Requirements of Law. The granting of awards under the Plan will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) Governing Law. The Plan and all awards will be construed in accordance with and governed by the laws of the State of California, but without regard to its conflict of law provisions.

(e) Bonus Plan. The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulation 2510.3-2(c) and will be construed and administered in accordance with such intention.

(f) Captions. Captions are provided herein for convenience only, and will not serve as a basis for interpretation or construction of the Plan.

2015 Executive Officer Bonus Plan

PURPOSE: The BlackLine ("Company") Executive Officer Bonus Plan (the "Plan") is designed to incentivize the achievement of BlackLine's strategic priorities through compensation that that supports overall excellence in job performance in accordance with BlackLine business objectives and goals.

DEFINITIONS:

For the purpose of the Plan, the following definitions apply:

a. "Free Cash Flow" ("FCF"): A measure of financial performance calculated after accounting for capital expenditures.

b. "Net Bookings": Refers to the total value of accepted term contracts, contracted work or services, and changes to such contracts as of either the order date or the effective date of the transaction. Bookings typically include all items with a revenue implication, such as new contracts, renewals, upgrades, downgrades, add-ons, early terminations and refunds.

c. "Participant": Chief Finance Officer, Chief Accounting Officer, Chief Marketing Officer, Chief Technology Officer, Chief Security Officer , Chief Strategy Officer.

PLAN DESIGN:

The bonus payment is discretionary, subject to assessment of overall individual performance and approval by the Chief Executive Officer.

The eligible earning rate is 20% of the participant's annual salary at the time of payout.

The Bonus Plan is contingent upon the Company meeting specific financial goals and thresholds, as determined by the Board of Directors.

For 2015, the company must meet pre-established FCF thresholds and vesting schedule is proportionate to the following achievement of revenue goals:

- Plan begins to vest at 80% Net Bookings achievement.
- Once 80% Net Bookings have been met, the Plan pays out at 50%.
- At 100% Net Bookings achievement, the Plan is fully vested at 100%.
- Beyond 100% Net Bookings achievement, up to 120% Net Bookings achievement, the Plan will pay 5% increased payout for each additional 1% of Net Bookings achievement.
- The 2015 Plan is capped at 200% payout, for a total eligible earning rate of 40% of the participant's annual salary.

ELIGIBILITY:

- Discretionary to CEO approval of performance in role. The participant must be an active, full-time employee and not participating in an Individual Compensation Program.

PAYMENT OF BONUSE:

- Bonus payment, if earned, is targeted for distribution in March 2016.
- Bonus amounts are subject to government required withholding payments/deductions.
- All bonus calculations are based on the employee's regular 2015 earnings, which excludes OT, commissions, bonus, etc.

PARTICIPANT ACKNOWLEDGMENT

I acknowledge that I have carefully read, understand and agree to the provisions of the BlackLine Executive Officer Bonus Plan (the "Plan"). I understand and agree that the Plan is not intended to, and does not, alter the at-will employment relationship that exists between the Company and me. I further understand and acknowledge that the Board of Directors is free to amend, modify or eliminate the Plan, in whole or in part, at any time in its sole discretion.

Employee Name: _____

Signature: _____ Date: _____

BlackLine, Inc.

Change of Control and Severance Policy

This Change of Control and Severance Policy (the "**Policy**") is designed to provide certain protections to a select group of key employees of BlackLine, Inc. ("**BlackLine**" or the "**Company**") or any of its subsidiaries in connection with a change of control of BlackLine or in connection with the involuntary termination of their employment under the circumstances described in this Policy. The Policy is designed to be an "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), and this document is both the formal plan document and the required summary plan description for the Policy.

Eligible Employee: An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms (including any terms in the Eligible Employee's Participation Agreement (as defined below)). To be an "**Eligible Employee**," an employee must (a) have been designated by the Board or an authorized committee of the Board (in either case, the "**Committee**") as eligible to participate in the Policy, whether individually or by position or category of position and (b) have executed a participation agreement in the form attached hereto as Exhibit A (a "**Participation Agreement**").

Policy Benefits: An Eligible Employee will be eligible to receive the payments and benefits set forth in his or her Participation Agreement if his or her employment with BlackLine and all of its subsidiaries terminates as a result of a Qualified Termination. All benefits under this Policy and the Participation Agreement will be subject to the Eligible Employee's compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

Death of Eligible Employee: If the Eligible Employee dies before all payments or benefits he or she is entitled to receive have been paid, such unpaid amounts will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

Forfeiture/Clawback: If the Company discovers after the Eligible Employee's receipt of payments or benefits under this Policy that grounds for the termination of the Eligible Employee's employment for Cause existed, then the Eligible Employee will cease receiving any further payments or benefits under this Policy and, to the extent permitted under applicable laws, will be required to repay to the Company any payments or benefits he or she received under the Policy (or any financial gain derived from such payments or benefits).

Release: The Eligible Employee's receipt of any severance payments or benefits under this Policy is subject to the Eligible Employee signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage the Company, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Eligible Employee's Qualified Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy or the Eligible Employee's Participation Agreement, none of the severance payments and benefits payable upon such

Eligible Employee's Qualified Termination under this Policy will be paid or otherwise provided prior to the 60th day following the Eligible Employee's Qualified Termination. Except as otherwise set forth in an Eligible Employee's Participation Agreement or to the extent that payments are delayed under the paragraph below entitled "Section 409A," on the first regular payroll pay day following the 60th day following the Eligible Employee's Qualified Termination, the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

Section 409A: The Company intends that all payments and benefits provided under this Policy or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated thereunder (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to an Eligible Employee, if any, under this Policy or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until such Eligible Employee has a "separation from service" within the meaning of Section 409A. If, at the time of the Eligible Employee's termination of employment, the Eligible Employee is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Eligible Employee will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following his or her termination of employment. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Policy is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company reimburse any Eligible Employee for any taxes that may be imposed on him or her as a result of Section 409A.

Parachute Payments:

Reduction of Severance Benefits. Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash

payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's Equity Awards unless the Eligible Employee elects in writing a different order for cancellation. The Eligible Employee will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

Administration: The Policy will be administered by the Committee or its delegate (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

Attorneys Fees: The Company and each Eligible Employee will bear their own attorneys' fees incurred in connection with any disputes between them.

Exclusive Benefits: Except as may be set forth in an Eligible Employee's Participation Agreement, this Policy is intended to be the only agreement between the Eligible Employee and the Company regarding any change of control or severance payments or benefits to be paid to the Eligible Employee on account of a termination of employment whether unrelated to, concurrent with, or following, a Change of Control. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any severance or change of control benefits set forth in any employment agreement, offer letter, and/or Equity Award agreement, except as set forth in this Policy and in the Eligible Employee's Participation Agreement.

Tax Withholding: All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy.

Amendment or Termination: The Committee may amend or terminate the Policy at any time without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual. Notwithstanding the preceding, (a) any amendment to the Policy that causes an individual to cease to be an Eligible Employee will not be effective with respect to a Qualified Termination unless it is both approved by the Administrator and communicated to the affected individual(s) in writing at least 6 months prior to the effective date of the amendment or termination, and (b) no amendment or termination of the Policy will be made within 12 months following a Change of Control if such amendment or reduction would reduce the benefits provided hereunder or impair an Eligible Employee's eligibility under the Policy (unless the affected Eligible Employee consents to such amendment or termination). Any action in amending or terminating the Policy will be taken in a non-fiduciary capacity.

Claims Procedure: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

Appeal Procedure: If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

Successors: Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) will assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to

perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise.

Applicable Law: The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of California (but not its conflict of laws provisions).

Definitions: Unless otherwise defined in an Eligible Employee's Participation Agreement, the following terms will have the following meanings for purposes of this Policy and the Eligible Employee's Participation Agreement:

"**Base Salary**" means the greater of: Eligible Employee's annual base salary as in effect immediately prior to (a) such Eligible Employee's Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Eligible Employee's annual base salary in effect immediately prior to such reduction) or (b) the Change of Control.

"**Board**" means the Board of Directors of the Company.

"**Cause**" means the occurrence of any of the following as determined in good faith by the Administrator: (a) the Eligible Employee's gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Administrator; (b) commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or any of its subsidiaries); (c) any material unauthorized use or disclosure of confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of relationship with the Company (or any of its subsidiaries) as determined in good faith the Administrator; (d) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company (or any of its subsidiaries); or (e) the Eligible Employee's material breach of any of his or her obligations under any written agreement or covenant with the Company (or any of its subsidiaries).

"**Change of Control**" means the occurrence of any of the following events:

(a) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 40% of the total voting power of the stock of the Company will not be considered a Change of Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting

power of the stock of the Company, such event shall not be considered a Change of Control under this clause (a). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(b) Change in Effective Control of the Company. If the Company has a class of securities registered under Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (b), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(c) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (1) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (2) a transfer of assets by the Company to: (a) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (b) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (c) a Person, that owns, directly or indirectly, 40% or more of the total value or voting power of all the outstanding stock of the Company, or (d) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person.

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A (as defined below).

"**Change of Control Period**" will mean the period beginning on a Change of Control and ending 12 months following the Change of Control.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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

"**Disability**" means the Eligible Employee (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering Company employees.

"**Equity Award"** means, unless otherwise specified in an Eligible Employee's Participation Agreement, any equity-based award covering shares of the Company's common stock that was issued to the Eligible Employee either in connection with the Eligible Employee's (a) initial hiring by the Company (or any subsidiary of the Company) or (b) promotion to a position of greater title, authorities, responsibilities, and/or duties within the Company (or any subsidiary of the Company). For the avoidance of doubt, any other equity-based award shall not be an Equity Award under this Policy or the Eligible Employee's Participation Agreement.

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended.

"**Qualified Termination**" has the meaning set forth in the Eligible Employee's Participation Agreement.

Additional Information:

Plan Name:	BlackLine, Inc. Change of Control and Severance Policy
Plan Sponsor:	BlackLine, Inc. 21300 Victory Boulevard, 12th Floor Woodland Hills, CA 91367
Identification Numbers:	
Plan Year:	Company's Fiscal Year
Plan Administrator:	BlackLine, Inc. *Attention:* Chief Legal Officer 21300 Victory Boulevard, 12th Floor Woodland Hills, CA 91367
Agent for Service of Legal Process:	BlackLine, Inc. *Attention:* Chief Legal Officer 21300 Victory Boulevard, 12th Floor Woodland Hills, CA 91367
Type of Plan:	Severance Plan/Employee Welfare Benefit Plan
Plan Costs:	The cost of the Policy is paid by the Company.

Statement of ERISA Rights:

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within 30 days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

Change of Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between on the one hand, and BlackLine, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, under which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy.

Qualified Termination

COC Qualified Termination. Upon your COC Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy:

- **Equity Vesting**: 100% of the then-unvested shares subject to each of your then-outstanding Equity Awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an Equity Award may vest and become exercisable under this provision). In the case of Equity Awards with performance-based vesting, unless otherwise determined by the Company and set forth in your Equity Award agreement, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels. Any restricted stock units, performance shares, performance units, and similar full value awards that vest under this paragraph will be settled on the 61st day following your COC Qualified Termination.
- **Salary Severance**: You will be eligible to receive salary severance payment(s) in the amount of 6 months of your Base Salary, and payable in a lump sum on the 61st day following your Qualified Termination.
- **COBRA Benefit**: Upon a Qualified Termination, if you make a valid election under COBRA to continue your health coverage, the Company will pay or reimburse you for the cost of such continuation coverage for you and any of your eligible dependents that were covered under the Company's health care plans immediately prior to the date of such Qualified Termination until the earliest of (a) the end of the 6-month period following your Qualified Termination or (b) the date upon which you and/or your eligible dependents become covered under similar plans or (c) the date upon which you cease to be eligible for coverage under COBRA (the "**COBRA Coverage**"). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment on the 61st day following your Qualified Termination, in an amount equal to 6 months of COBRA Coverage multiplied by the monthly COBRA premium that you would be required to pay to continue group health coverage for you and your eligible dependents, in each case, in effect on the date of the Qualified Termination based on the premium for the first month of COBRA coverage

(whichever of such taxable payments or the COBRA Coverage that the Company actually provides, the "**COBRA Benefit**"). If the Company provides for a taxable cash payment in lieu of the COBRA Coverage, then such cash payment will be made regardless of whether you elect COBRA continuation coverage and such payment will be made in full on the 61st day following your Qualified Termination.

Non-COC Qualified Termination. Upon your Non-COC Qualified Termination, you will be entitled to the payments and benefits set forth in the "Salary Severance" and "COBRA Benefits" sections above, subject to your compliance with the Policy.

"**Qualified Termination**" means either (i) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability or by you for Good Reason, in either case, during the Change of Control Period (a "**COC Qualified Termination**") or (ii) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability outside the Change of Control Period (a "**Non-COC Qualified Termination**").

"**Good Reason**" means your termination of employment with the Company (or any of its subsidiaries) in accordance with the next sentence after the occurrence of one or more of the following events without your consent: (a) a material reduction in your authority, duties, or responsibilities with the Company or a subsidiary of the Company in effect immediately prior to such reduction, provided that, neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control in terms of job authority, duties, and responsibilities shall constitute grounds for "Good Reason" by itself; (b) a material change in the geographic location at which you must be principally located, provided that a change in office location of greater than 40 miles from your home will be such a material change in geographic location; (c) a material reduction by the Company or a subsidiary of the Company in your base compensation or annual target bonus, in each case, as in effect immediately prior to such reduction other than in connection with a general reduction of base compensation and/or annual target bonus for officers at the Company or its subsidiaries; or (d) any material breach by the Company or a subsidiary of the Company of the agreement under which you provide services to the Company or such subsidiary. To terminate for Good Reason, you must first provide the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), such grounds must not have been cured during such time, and you must terminate your employment within 60 days following the Cure Period.

Other Provisions

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or Equity Award agreement entered into between you and the Company.

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

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

BLACKLINE, INC.	**ELIGIBLE EMPLOYEE**
By: _____	Signature: _____
Date: _____	Date: _____

[Signature Page of the Participation Agreement]

EXHIBIT A

Change of Control and Severance Policy
Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between on the one hand, and BlackLine, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, under which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy.

Qualified Termination

Upon your Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy:

- **Equity Vesting**: 100% of the then-unvested shares subject to each of your then-outstanding Equity Awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an Equity Award may vest and become exercisable under this provision). In the case of Equity Awards with performance-based vesting, unless otherwise determined by the Company and set forth in your Equity Award agreement, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels. Any restricted stock units, performance shares, performance units, and similar full value awards that vest under this paragraph will be settled on the 61st day following your Qualified Termination.

"**Qualified Termination**" means a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability or by you for Good Reason, in either case, during the Change of Control Period.

"**Good Reason**" means your termination of employment with the Company (or any of its subsidiaries) in accordance with the next sentence after the occurrence of one or more of the following events without your consent: (a) a material reduction in your authority, duties, or responsibilities with the Company or a subsidiary of the Company in effect immediately prior to such reduction, provided that, neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change in Control in terms of job authority, duties, and responsibilities shall constitute grounds for "Good Reason" by itself; (b) a material change in the geographic location at which you must be principally located, provided that a change in office location of greater than 40 miles from your home will be such a material change in geographic location; (c) a material reduction by the Company or a subsidiary of the Company in your base compensation or annual target bonus, in each case, as in effect immediately prior to such reduction other than in connection with a general reduction of base compensation and/or annual target bonus for officers at the Company or its subsidiaries; or (d) any material breach by the Company or a subsidiary of the

Company of the agreement under which you provide services to the Company or such subsidiary. To terminate for Good Reason, you must first provide the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), such grounds must not have been cured during such time, and you must terminate your employment within 60 days following the Cure Period.

Other Provisions

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or Equity Award agreement entered into between you and the Company.

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

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

BLACKLINE, INC.	**ELIGIBLE EMPLOYEE**
By: _____	Signature: _____
Date: _____	Date: _____

[Signature Page of the Participation Agreement]

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is entered into effective as of January 1, 2016 "**Effective Date**" by and among BlackLine, Inc. (the "**Company**" or "**BlackLine**") and Therese Tucker ("**Executive**").

Summary of Material Terms

Term	Summary	Cross-Reference
Position:	Chief Executive Officer	Section 1(a)
Reports to:	Board of Directors	Section 1(a)
Employment Term	Through 3rd Anniversary unless extended	Section 2
Annual Salary:	$350,000	Section 3(a)
Annual Target Bonus:	100% of annual salary	Section 3(b)
Equity Compensation:	• Performance option to acquire 1% of the Company's fully diluted Common Stock • Time based vesting option to acquire .5% of the Company's fully diluted Common Stock, with the ability on the part of Executive to reassign to selected BlackLine employees, subject to Compensation Committee approval	Section 3(c)
Non-Change of Control Severance:	• Any earned but unpaid salary or bonus • 18 months of base salary • Prorated earned Annual Bonus for the year of termination • Payment equal to the cost of health insurance coverage for 18 months	Section 5(b)(iii)
Change of Control Severance:	• Any earned but unpaid salary or bonus • 12 months of base salary • Payment equal to the cost of health insurance coverage for 12 months • Accelerated vesting of 100% of then-unvested equity per the terms of the option agreements	Section 5(b)(iv)

1. Duties and Scope of Employment.

(a) During the Employment Term, Executive will serve as the Company's Chief Executive Officer reporting to the Company's Board of Directors (the "**Board**"), and will perform the duties, consistent with this position, as the Board may assign.

(b) During the Employment Term, Executive will perform Executive's duties faithfully and to the best of her ability and will devote her full business efforts and time to the Company. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation or consulting activity for any direct or indirect remuneration without the prior approval of the Board. Executive may engage in charitable, civic educational or community activities may continue to serve on existing boards of directors and advisory boards previously disclosed to the Company, and may manage her personal investments; provided that such activities do not materially interfere with her duties and obligations to the Company.

2. Employment Term. Subject to the provisions of Section 5, beginning on the Effective Date and, continuing until the day prior to the third anniversary of the Effective Date, Executive will be employed with the Company on the terms and subject to the conditions set forth in this Agreement (the "**Initial Term**"); provided, however, that beginning on the end date of the Initial Term and on each one year anniversary thereafter (each an "**Extension Date**"), the Employment Term (as defined below) will be automatically extended for an additional one-year period, unless the Company or Executive provides the other party written notice at least 30 calendar days before the Extension Date that the Employment Term will not be extended. The Initial Term as it may be extended from time to time shall be defined as the "Employment Term". If a Change in Control occurs during the Term then this Agreement will be automatically extended so that it extends until the 2nd anniversary of the Change in Control. If an event that would be Good Reason occurs within 120 days of the end of the Term, the Term will be extended to the 121st date after the occurrence of the event.

3. Compensation.

(a) Base Salary. The Company will pay Executive an annual salary of $350,000, as compensation for services (the "**Base Salary**"). The Base Salary will be paid according to the Company's normal payroll practices and subject to the usual and required withholdings. Executive's Base Salary will be reviewed and adjusted annually by the Board or an authorized committee of the Board (either, a "**Committee**").

(b) Annual Bonus. Executive is eligible to earn a target annual bonus of 100% of Executive's Base Salary based upon achievement of performance objectives to be determined by the Committee in its sole discretion after conferring with Executive and payable upon achievement of those applicable objectives, subject to minimum and maximum limits as established by the Committee (the "**Annual Bonus**"). If the Committee, in its sole discretion, determines the applicable performance objectives are achieved in a manner that would result in a payment of the Annual Bonus (or portion thereof), such amount will be paid when practicable after the Committee determines the relevant performance objectives have been achieved, subject to Executive being employed on the date of payment; provided, however, that if the Employment Term is not extended as a result of a notice from the Company or Executive to the other, Executive only shall be required to be employed on the last day of a performance period in order to be eligible for the annual bonus for such performance period and the annual bonus for such performance period shall be paid no later than 2 ½ months following the end of such performance period . The Committee may modify the structure and performance objectives used for Annual Bonus determinations.

(c) Equity Compensation. During the Employment Term, Executive will be eligible to be granted additional equity awards to purchase shares of the Company's common stock (the "**Equity Awards**") under (and therefore subject to all terms and conditions of) plans or programs as the Company may from time to time adopt (the "**Equity Documents**"). The size and type of Equity Award, and the terms and conditions applicable thereto, will be determined by the Committee, in its discretion and under the Equity Documents pursuant to which the applicable Equity Award is granted.

4. Employee Benefits.

(a) Executive will be entitled to participate in the employee benefit plans maintained by the Company and generally applicable to senior executives of the Company, subject to the terms and conditions of those plans. The Company may cancel or change the benefit plans and programs it offers and those changes will not breach this Agreement. The Company agrees to reimburse Executive for up to $10,000 in legal fees related to the negotiation and drafting of this Agreement.

(b) Upon the submission of proper substantiation by Executive, and subject to such rules and guidelines as the Company may from time to time adopt with respect to the reimbursement of expenses of employee personnel, the Company shall reimburse Executive for all reasonable expenses actually paid or incurred by Executive during the Employment Term in the course of and pursuant to the business of the Company. Executive will account to the Company in writing for all expenses for which reimbursement is sought and will supply to the Company copies of all relevant invoices, receipts or other evidence reasonably requested by the Company.

(c) During the Employment Term, Executive will be provided coverage under the Company's liability insurance policy for directors and officers and form of indemnification agreement as in effect for other directors and senior executives of the Company, subject to the terms and conditions of those arrangements.

5. Termination of Employment; Severance.

(a) At-Will Employment. Executive and the Company agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without Cause or notice. Executive understands and agrees this at-will employment relationship will not be modified or amended unless it is done in a writing that complies with Section 10(f) and Section 10(i) and explicitly references this Section 5(a). Executive's employment will terminate upon the earlier to occur of (i) a termination by the Company with or without Cause, (ii) Executive's Disability or death, (iii) a resignation by Executive with or without Good Reason, or (iv) upon the termination of the Employment Term.

(b) Terminations of Employment. Executive's employment may be terminated under a scenario addressed in this Section 5(b). Upon any termination of employment, Executive will receive benefits described in Section 5(b)(i). Depending on the circumstances of the termination of employment, subject to the conditions in Section 6, Executive may be entitled to a lump sum payment of the amounts listed under one of Section 5(b)(ii), Section 5(b)(iii), or Section 5(b)(iv). Executive agrees that if Executive owns or beneficially owns less than 5% of the Company's fully diluted equity, upon termination of Executive's employment for any reason, Executive will resign as of the date of such termination and to the extent applicable, from the Board (and any committees thereof), the board of directors (and any committees thereof) of any of the Company's subsidiaries or affiliates. Executive agrees that upon termination of Executive's employment for any reason, Executive will resign as of the date of such termination from any other employment positions Executive holds with the Company or any of its subsidiaries or affiliates.

(i) Termination for Cause or Resignation Other Than for Good Reason. Executive's employment may be terminated for Cause, effective upon the Company's delivery to Executive of a Notice of Termination or the Executive may resign. If Executive's employment is terminated for Cause or Executive resigns other than for Good Reason, Executive will receive:

(1) the Base Salary accrued through the termination date, payable under the Company's usual payment practices;

(2) reimbursement within 60 days following submission by Executive to the Company of appropriate supporting documentation for any unreimbursed business expenses properly incurred by Executive prior to the termination date; provided that claims for reimbursement are submitted, under Company policy, to the Company within 90 days following the termination date; and

(3) any fully vested and non-forfeitable employee benefits to which Executive may be entitled under the Company's employee benefit plans (other than benefits in the nature of severance pay) (the amounts described in clauses (1) through (3) above are referred to later as the "**Accrued Obligations**").

(ii) Termination by Reason of Disability or Death. Executive's employment may be terminated effective upon the Company's delivery to Executive of a Notice of Termination if Executive becomes Disabled and will automatically terminate upon Executive's death. Upon termination of Executive's employment for either Disability or death, Executive or Executive's estate (as the case may be) will receive:

(1) Accrued Obligations;

(2) any earned but unpaid Annual Bonus for a prior year. For the avoidance of doubt, if Executive is terminated after the end of a fiscal year but before annual bonuses are approved and paid to other senior executives in the normal course of business, then Executive will receive an Annual Bonus for the prior fiscal year, the actual amount of which will still be subject to the achievement of any performance targets as established by the Committee, the achievement of which will be determined by the Committee. Any payment under this Section 5(b)(iii)(2) will be paid no later than one day prior to the date that is 2 ½ months following the last day of the fiscal year in which such termination occurred. The amount payable under this paragraph hereinafter referred to as the "**Prior Year Bonus**;" and

(3) an amount equal to a prorated earned portion of the target Annual Bonus for the year of termination that would have been paid to Executive had Executive been employed by the Company for the entire fiscal year that contained the date of Executive's death or disability.

(iii) Termination Without Cause, Non-Renewal by the Company, or Resignation for Good Reason. Executive's employment may be terminated without Cause effective upon the Company's delivery to Executive of a Notice of Termination, at the End of the Employment Term as a result of the Company providing Executive with a notice of its intention not to extend the Employment Term ("Non-Renewal"), or by Executive's resignation for Good Reason effective 30 days following delivery to the Company of Notice of Termination provided such delivery is within 90 days following the occurrence of events that result in Good Reason. No resignation for Good Reason will be effective unless during the 30-day period following the delivery of the Notice of Termination, the Company has not cured the events that result in Good Reason. If Executive's employment is terminated without Cause (other than by reason of death or Disability), as a result of Non-Renewal, or if Executive resigns for Good Reason, Executive will receive:

(1) the Accrued Obligations;

(2) any Prior Year Bonus;

(3) a payment equal to 18 months of Executive's Base Salary as then in effect;

(4) a payment equal to the premium costs for Executive and her eligible dependents to continue health insurance coverage under COBRA for 18 months; and

(5) an amount equal to a prorated portion of the earned Annual Bonus for the year of termination that would have been paid to Executive had Executive been employed by the Company for the entire fiscal year that contained the date of Executive's termination, based on actual performance for such fiscal year (and assuming that any performance objectives that are based on individual performance are achieved at target levels).

(iv) Termination of Employment in Connection with Change of Control. If Executive's employment is terminated under circumstances that would entitle Executive to payment of benefits under Section 5(b)(iii) and such termination of employment occurs in connection with or within 3 months before or within 24 months after a Change of Control, then Executive will receive the benefits described in Sections 5(b)(iii)(1) through (4), but the payment in Section 5(b)(iii)(3) will be equal to 12 months of Executive's Base Salary as then in effect or, if greater, as in effect immediately prior to the Change of Control, the health insurance coverage payment in Section 5(b)(iii)(4) will be for 12 months, and Executive will be entitled to accelerated vesting of 100% of the then-unvested Equity Awards at Executive's termination date.

(c) Exclusive Remedy. If a termination of Executive's employment with the Company (or any successor) occurs, the provisions of this Section 5 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company (or any successor) may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement. Executive will be entitled to no severance or other benefits upon termination of employment other than those benefits expressly set forth in this Section 5.

6. Conditions to Receipt of Severance; No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. Executive will not receive severance pay or benefits other than the Accrued Obligations unless (i) Executive signs and does not revoke a separation agreement and release of claims in the form consistent with the form attached as Exhibit B hereto (the "**Release**") and (ii) such Release becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. All payments will be made upon the effectiveness of the Release but will be delayed until a subsequent calendar year if necessary so their timing does not result in penalty taxation under Section 409A. Severance payments or benefits will not be paid or provided until the Release becomes effective and irrevocable. For avoidance of doubt, although Executive's severance payments and benefits are contractual rights, not "damages," Executive is not required to seek other employment or otherwise "mitigate damages" as a condition of receiving such payments and benefits.

(b) If any amount or benefit that would constitute non-exempt "deferred compensation" under Internal Revenue Code ("**Code**") Section 409A would be payable under this Agreement by reason of Executive's "separation from service" during a period in which Executive is a "specified employee" (within the meaning of Code Section 409A as determined by the Company), then any payment or benefits will be delayed until the earliest date on which they could be paid or distributed without being subject to penalty taxation under Code Section 409A.

(c) Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Treasury Regulations Section 1.409A-2(b)(2).

(d) Executive's receipt of any payment or benefits other than Accrued Obligations will be subject to Executive continuing to comply with her confidentiality obligations to the Company under the Confidentiality Agreement and Section 9.

7. Definitions.

(a) Cause means the occurrence of one or more of the following events or circumstances as determined in good faith by the Board (excluding, for this purpose and any other references in this Section 7(a), Executive): (i) Executive's gross negligence or willful misconduct in the performance of duties to the Company as determined in good faith by the Board, (ii) commission of any act of fraud, embezzlement, or dishonesty, in each case, that results in material harm to the Company (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom Executive owes an obligation of nondisclosure as a result of Executive's service relationship with the Company (or a successor, if appropriate) as determined in good faith by the Board, (iv) conviction of an act that constitutes a felony (other than a driving offense related solely to driving in excess of the speed limit) or a crime involving moral turpitude, or (v) Executive's material breach of any of Executive's material obligations under this Agreement or any other written agreement or covenant with the Company (or a successor, if appropriate).

(b) Change of Control means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (**"Person"**), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 40% of the total voting power of the stock of the Company will not be considered a Change of Control. Further, if the

stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change of Control under this clause (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) Change in Effective Control of the Company. If the Company has a class of securities registered under Section 12 of the Securities and Exchange Act of 1934, as amended, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (1) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (2) a transfer of assets by the Company to: (a) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (b) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (c) a Person, that owns, directly or indirectly, 40% or more of the total value or voting power of all the outstanding stock of the Company, or (d) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person.

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be a Change of Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A and the official guidance thereunder.

(c) Disabled means physically or mentally incapacitated and unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties (such incapacity is a "**Disability**"). Any question as to the existence of a Disability will be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each will appoint a physician and those two physicians will select a third physician who will make such determination in writing. The determination will be final and conclusive for this Agreement.

(d) Good Reason means the occurrence of one or more of the following events without Executive's express consent: (i) a material reduction of Executive's Base Salary (except where there is a pro-rata reduction applicable to the management team generally), or (ii) a material change in the geographic location at which Executive must perform her services; provided, that in no instance will the relocation of Executive to a

facility or a location of fifty (50) miles or less from Executive's then current office location be deemed material for purposes of this Agreement, or (iii) a material reduction of Executive's authorities, duties or responsibilities, including after a Change of Control (1) the assignment of responsibilities, duties, reporting relationship or position that are not at least the substantial functional equivalent of the Executive's position occupied immediately preceding the Change of Control, including the assignment of responsibilities, duties, reporting relationship or position that are not in a substantive area that is consistent with the Executive's experience and the position occupied prior to the Change of Control or (2) a material diminution in the budget and number of subordinates over which the Executive's retains authority;

8. Limitation on Payments; Section 280G. If any severance or other benefits payable to Executive under this Agreement or otherwise (the "**Payments**") (i) are "parachute payments" within the meaning of Code Section 280G and (ii) but for this Section 8, would be subject to the "golden parachute" excise tax imposed by Section 4999 of the Code, then the Payments will reduced to a level that will result in no tax under Code Section 4999 unless it would be better economically for Executive to receive all of the Payments and pay the excise tax. If a reduction in the Payments is necessary for this purpose, then the reduction will occur in the following order (1) reduction of the cash severance payments; (2) reduction of continued employee benefits; and (3) cancellation of accelerated vesting of equity awards . If the acceleration of vesting of equity award compensation is to be reduced, that acceleration of vesting will be cancelled in the reverse order of the date of grant of Executive's equity awards. Any determination required under this Section 8 will be made in writing by a nationally recognized accounting firm chosen by the Company immediately prior to a Change of Control and paid for by the Company and that determination will be conclusive and binding upon Executive and the Company for all purposes.

9. Covenants.

(a) Executive is entering into in connection herewith the Company's confidential information and inventions assignment agreement attached as Exhibit A ("**Confidentiality Agreement**") and agrees that it will remain in effect during the Employment Term and thereafter pursuant to its terms.

(b) To the fullest extent permitted under applicable law, during the Employment Term and continuing for a period of 1 year after the date Executive's service relationship with the Company terminates for any reason, whether voluntary or involuntary, with or without Cause, Executive agrees not to:

(i) directly or indirectly solicit any of the employees of the Company or any subsidiary or affiliate of the Company to leave their employment, with the exception of Isaac Tucker, son of Therese Tucker. Executive agrees that nothing in this Section 9(b) shall affect Executive's continuing obligations under this Agreement or any other written agreement between Executive and the Company during and after such 1-year period, including, without limitation, any obligations under the Confidentiality Agreement.

(ii) make any public statement that is intended, or may reasonably be expected to harm the reputation, business, prospects or operations of the Company or any of its subsidiaries, any of the investment funds invested in the Company or any affiliated funds (all of the foregoing collectively, the **"Company Group"**); provided, that the non-disparagement provisions of this Section 9(b) will not apply to any statements that Executive makes in addressing any disparaging statements made by the Company Group or their respective officers and/or its directors regarding Executive or Executive's performance as an employee of the Company so long as Executive's statements are truthful. The Company and its subsidiaries and affiliates shall instruct their respective officers and directors to refrain from making any disparaging statements about Executive for the same period for which Executive is subject to the non-disparagement provisions of this Section 9(b); provided, however, that the non-disparagement provisions will not apply to any statements that the Company or any of its subsidiaries or affiliates, or their respective officers and directors make in addressing any disparaging statements made by Executive regarding the Company Group or its officers and directors so long as such statements are truthful. Executive and the Company expressly consider the restrictions contained in this Section 9(b) to be reasonable.

10. Miscellaneous.

(a) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles thereof.

(b) Entire Agreement. This Agreement, along with the Confidentiality Agreement and the Equity Documents (to the extent and as applicable), contains the entire understanding of the parties with respect to Executive's employment and supersedes any prior agreements or understandings (including verbal agreements) between the parties relating to the subject matter of this agreement. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. Notwithstanding the foregoing, Executive shall be covered by the Company's applicable liability insurance policy and its indemnification provisions for actions taken on behalf of the Company during the course of Executive's employment. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties that references this Section 10(b).

(c) Severability. In the event that any one or more of the provisions of this Agreement will be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement will not be affected.

(d) Assignment. This Agreement, and all of Executive's rights and duties under it, are not assignable or delegable by Executive. Any purported assignment or delegation by Executive will be null and void. This Agreement may be assigned by the Company to a person or entity which is an affiliate or a successor in interest to substantially all of its business operations. Upon such assignment, the rights and obligations of the Company hereunder will become the rights and obligations of such affiliate or successor person or entity.

(e) Successors; Binding Agreement. This Agreement will inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors and heirs.

(f) Notice. The notices and all other communications provided for in this Agreement will be deemed to have been duly given when delivered by hand or overnight courier addressed to the addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt.

BlackLine, Inc. 21300 Victory Boulevard, 12th Floor Woodland Hills, CA 91367 Attention: Chief Legal Officer	To most recent address as set forth in Executive's personnel records

(g) Executive Representations. Executive represents to the Company that the execution of this Agreement by Executive and the Company and the performance by Executive of Executive's duties hereunder will not breach, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound. Executive acknowledges that she has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(h) Cooperation. Subject to the Company's compliance with Section 9(b) and this Section 10(h), Executive will provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive's employment with the Company or its affiliates. Executive's cooperation pursuant to this Section 10(h) will be at no cost to Executive, and if such cooperation occurs after the termination of this Agreement, Company will promptly

advance or reimburse all reasonable costs incurred by Executive in connection with such cooperation. This provision will survive any termination of this Agreement. The Company will provide reasonable compensation to Executive for any services rendered at the Company's request.

(i) Amendment; Waiver of Breach. No amendment of this Agreement will be effective unless it is in writing and signed by both parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will be a waiver of satisfaction of any other condition or failure to comply with any other obligation. To be valid, any document signed by the Company must be signed by the Chairperson of the Compensation Committee of the Board.

(j) Counterparts. This Agreement may be executed in counterparts. Each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement.

Each party is signing this Agreement on the date set out below its signature.

BlackLine, Inc.	**Executive**
/s/ John D. Brennan	/s/ Therese Tucker
By: John Brennan	
8/15/2016	8/24/2016

EXHIBIT A

CONFIDENTIAL INFORMATION AND INVENTIONS ASSIGNMENT AGREEMENT

This Confidential Information and Inventions Assignment Agreement ("Agreement") is entered into by and between BlackLine Systems, Inc. ("Company"), and the undersigned individual ("Recipient") (each, a "Party" and, collectively, the "Parties"). The Effective Date of this Agreement is the earlier of the date on which it is executed by the Parties or the first date on which Company disclosed, or discloses, to Recipient any "Confidential Information" (as defined below).

RECITALS

A. In connection with Recipient's employment by Company, Company has provided or will provide Recipient with access to, or Recipient will otherwise become acquainted with, Confidential Information of Company. Such access to Confidential Information is granted only because it has been deemed essential to Recipient performing the duties of his or her employment.

B. The business in which Company is engaged is highly competitive, and Company's success is, and will continue to be, based substantially on Company's Confidential Information.

NOW THEREFORE, in consideration for Company allowing Recipient access to Confidential Information, and as an express condition of such access and Recipient's employment or continuing employment by Company, Recipient and Company hereby enter into this Agreement in accordance with the terms below.

AGREEMENT

1. **Confidential Information Defined**. "Confidential Information" means (a) Company's "trade secrets" as defined in California Civil Code section 3426 et seq. and/or as defined in any applicable jurisdiction; (b) Company's proprietary information; (c) information held in trust or confidence by Company for any customer, supplier or other third party; (d) any information relating to the business, finances or operations of Company that is not generally known outside of Company; and/or (e) without limitation, information disclosed to Recipient, or known by Recipient, as a direct or indirect result of Recipient's employment with Company, concerning any of the following: Company's technology, current and prospective programs, processes, improvements, research, developments, discoveries, inventions, computer hardware and computer software including, without limitation, source code and object code; Company's current and prospective vendors, suppliers, partners, resellers, licensors, licensees and consultants, and the terms of the business relationships between Company and any of them; Company's accounting, sales, marketing and administrative processes and procedures; Company's contemplated trademarks, servicemarks, tradenames and patents; Company's employees; the identities, goals, needs, business operations and strategic plans of individuals and entities currently or prospectively served by Company ("Clients"), and the terms on which such Clients do business or seek to do business with Company. Information is Confidential Information whether it is intangible (such as a fact known to Recipient but not recorded), recorded in written form (as in a letter, memo or other document) or otherwise recorded (as in a photograph, film, computer disk or other storage medium). By signing this Agreement, Recipient acknowledges understanding: (i) that the Confidential Information has independent economic value to Company and is not readily ascertainable from public sources; (ii) that Company has expended considerable time and effort to develop, compile and protect the secrecy of its Confidential Information; and (iii) that the Confidential Information has been expressly identified to Recipient as a valuable trade secret or other intellectual property of Company. Strictly with respect to this Agreement, "employment" as used herein shall include contractors and consultants.

2. **Exceptions to Confidential Information.** Information shall not be Confidential Information if Recipient can document that such information: (a) is in the public domain through no act or failure to act on the part of Recipient; (b) was lawfully known to Recipient, without any obligation of confidentiality, at the time such information was received from or otherwise disclosed by Company; or (c) was lawfully disclosed to Recipient by a third party without a breach of any obligation and without restriction. Moreover, nothing in this Agreement is intended to or does prevent Recipient from disclosing Confidential Information to the extent such disclosure is required in response to a valid subpoena or other legal process, provided that before making such disclosure, Recipient shall furnish Company with advance notice of such subpoena or other legal process and allow Company sufficient time to obtain, in Company's discretion, an appropriate protective order or otherwise oppose or limit such disclosure.

3. **Safeguarding Confidential Information.** Recipient will hold in confidence and not possess or use any Confidential Information except to the extent actually required to perform the duties of his or her employment with Company, and will not disclose any Confidential Information except as expressly permitted by this Agreement. Recipient shall not disseminate, share, post, sell and/or license the Confidential Information except as expressly permitted by this Agreement. Recipient shall not publish, authorize or cause to be published, or otherwise assist or cooperate in the preparation or presentation of, any publication of any kind that includes or makes use of any Confidential Information. Recipient understands and agrees that all communications in public concerning Confidential Information, even with fellow employees and independent contractors of Company, constitute a breach of this Agreement if such communications might reasonably be overheard by a third party. Recipient will use Recipient's best efforts at all times to safeguard all Confidential Information from loss, theft, damage and destruction. Recipient will not reverse engineer or attempt to derive the composition or underlying information, structure or

ideas of any Confidential Information, no matter how such Confidential Information was obtained by Recipient. Recipient hereby acknowledges that Recipient has no right, title or interest in any Confidential Information, and no right to make any use of such Confidential Information except as expressly set forth in this Agreement. Any gain or profit of any kind or nature obtained or derived by Recipient from the use or exploitation of Confidential Information shall be held in trust by Recipient for the express benefit of Company and shall be remitted to Company by Recipient, unless Recipient establishes that such use or exploitation did not violate the terms of this Agreement.

4. **Return of Confidential Information.** Upon the ending of Recipient's employment with Company for any reason, or if requested by Company at any time, Recipient will promptly return to Company all Confidential Information and all copies, extracts and other objects or items in which any Confidential Information is contained or embodied.

5. **Notification of Unauthorized Use.** Recipient will immediately notify Company of any unauthorized use, release or disclosure of Confidential Information.

6. **Business Opportunities.** Recipient understands and acknowledges that Company is engaged in providing software designed to automate and control the entire financial close process ("Company Business"). Recipient agrees that except for "Excluded Inventions" (as defined below), all business opportunities that are conceived by Recipient while employed by Company, whether conceived solely or jointly with others, which are related to Company Business or capable of beneficial use by Company, as determined in the sole discretion of Company (all the foregoing, "Business Opportunities"), shall be immediately disclosed to Company by Recipient in writing. Unless the Company's Chief Executive Officer, in each instance, rejects a Business Opportunity in writing, Recipient shall have no right or authority to pursue such Business Opportunity on his or her own behalf or on behalf of any person or entity other than Company.

7. **Inventions Retained.** Recipient has attached hereto, as Exhibit A, a list describing with particularity all inventions, original works of authorship, developments, improvements, and trade secrets which were made by Recipient prior to the commencement of employment with Company (collectively, the "Prior Inventions"), which belong solely to Recipient or belong to Recipient jointly with another, which relate in any way to any of the Company's proposed businesses, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, Recipient represents that there are no such Prior Inventions. If, in the course of Recipient's employment with the Company, Recipient incorporate into a Company product, process or machine a Prior Invention owned by Recipient or in which Recipient has an interest, the Company is hereby granted and shall have an exclusive, royalty-free, irrevocable, perpetual, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine. Recipient agrees to keep and maintain adequate and current written records of all Inventions made by Recipient (solely or jointly with others) during the term of Recipient's employment with the Company. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, notebooks, and any other format. The records will be available to and remain the sole property of the Company at all times. Recipient agrees not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company.

8. **Work Product.**

   a. Company shall be the sole owner, in perpetuity, throughout the universe in any and all languages, of all right, title and interest in and to the results and proceeds of Recipient's services performed for or on behalf of Company ("Work Product"), whether under a current written or oral employment agreement, a prior employment agreement or any other agreement. Such Work Product includes, without limitation, all material of any kind and nature whatsoever – whether tangible or intangible – produced, conceived, developed, acquired, obtained, created and/or furnished by or submitted to Recipient prior to or during Recipient's employment by Company, including without limitation, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, computer programs, source code, object code, documentation, plans, drawings, designs, specifications, calculations, renderings, models, prototypes, copyrights and other intellectual property or intangible rights. Any work in connection with such services shall be considered a "work made for hire" under the Copyright Law of the United States, and Recipient recognizes and agrees that Company is the sole author and copyright (and any other intellectual property) holder of such work. Any Work Product created and/or submitted to Company during Recipient's employment shall automatically become the sole property of Company.

   b. To the extent any Work Product is not created as a work-for-hire, Recipient hereby transfers and agrees to transfer and assign to Company all rights and materials related to or comprising the Work Product including, but not limited to, all intellectual property rights, including but not limited to, copyrights, patents, trade secrets, and similar protections and renewals and extensions thereto and any and all causes of action that have accrued or may accrue in Recipient's favor for infringement. Recipient shall, at Company's request, execute and deliver to Company such documents or other instruments as Company may from time to time reasonably deem necessary or desirable to evidence, maintain, perfect, protect, enforce or defend Company's right, title and interest in and to the Work Product and to carry out the intent and purposes of this section. In the event that Recipient fails to execute, acknowledge or deliver promptly to Company any agreements, assignments, quitclaims or other instruments required by Company

hereunder, Company is hereby irrevocably appointed Recipient's attorney-in-fact (which agency shall be deemed coupled with an interest) with full right, power and authority to execute, acknowledge, verify and deliver the same in the name of and on behalf of Recipient. Recipient represents, warrants and agrees that the Work Product is and shall be free and clear of any claims by Recipient (or anyone claiming under Recipient) of any kind or character whatsoever. Neither the suspension nor termination of Recipient's employment nor the expiration of this Agreement will in any way adversely affect Company's ownership of the Work Product.

c. Company shall have the right, but not the duty, to use, adapt and change the Work Product, or any part thereof, and to combine the same with other works, and to vend, copy, publish, reproduce, record, transmit, and communicate the same by any means now known or hereafter devised, either publicly or otherwise, and for profit or otherwise, throughout the world in perpetuity. Recipient waives any so-called "moral rights" which may now or hereafter be recognized, including, without limitation, any right (i) to approve such revisions, deletions, abridgments or other changes in the Work Product; or (ii) to withdraw the Work Product from distribution. The rights granted herein include, but are not limited to, the right to make foreign versions and translations of the Work Product.

d. This Agreement shall inure not only to Company's benefit, but also to the benefit of all parties who may hereafter acquire the right to distribute, exhibit, advertise and/or exploit any Work Product. Company may release the Work Product in which Recipient's services appear under any company name or trademark, trade name, etc., designated by Company.

e. Notwithstanding the foregoing, Recipient hereby acknowledges that if Recipient is a California employee, Company has notified Recipient that any assignment otherwise provided for in this section shall not apply to any invention that qualifies fully for exemption from assignment under the provisions of Section 2870 of the California Labor Code ("Excluded Inventions"), which provides as follows:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer. (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

9. **No Obligation to Disclose.** Recipient acknowledges and agrees that this Agreement does not obligate Company to disclose any information to Recipient.

10. **Not an Employment Agreement.** Recipient agrees and understands that nothing in this Agreement is intended to, or does, confer upon recipient any right to continuing employment. If recipient is otherwise an at-will employee of Company, this Agreement shall in no way modify or interfere with that status.

11. **Provisions relating to Third Parties.**

a. Recipient represents that Recipient's performance of his or her obligations under this Agreement does not and will not breach any agreement with, or obligation to, any third party to keep in confidence information acquired by Recipient in confidence or in trust. Recipient has not entered into, and Recipient agrees that Recipient will not enter into, any agreement, either written or oral, in conflict with this Agreement.

b. Recipient acknowledges that Company has received, and in the future will receive, from third parties confidential or proprietary information ("Third Party Information") subject to a duty on Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Recipient will hold in confidence and not possess or use any Third Party Information except to the extent actually required to perform the duties of his or her employment with Company, and will not disclose any Third Party Information except as expressly permitted by this Agreement.

c. Recipient will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person or entity to whom Recipient has an applicable obligation of confidentiality.

d. Recipient hereby consents to Company notifying any person or entity, now or in the future, of Recipient's obligations under this Agreement.

12. **Equitable Relief.** Recipient acknowledges and agrees that due to the unique nature of the Confidential Information, any breach of this Agreement by Recipient would cause irreparable harm to Company for which damages would not be an adequate remedy, and that Company will therefore be entitled to seek injunctive and other equitable relief, in addition to all other remedies available at law, to the extent such remedy is consistent with any arbitration agreement entered into between the Parties.

13. **Continuing Obligation of Confidentiality.** Recipient's obligations under this Agreement shall remain in force with respect to any particular Confidential Information unless and until Recipient can document that such information falls into one of the exceptions expressly set forth in Paragraph 2 above.

14. **No Interference.** While Recipient is employed by Company and for a period of two years after such employment ends, Recipient will not recruit or solicit for employment by Recipient or any third party, any individual who: (a) is, at that time, employed by Company; or (b) who, at that time, was employed by Company within the prior six (6) months. At no time shall Recipient engage in any of the following conduct: (i) make use of any trade secret or other Confidential Information to solicit or attempt to solicit, on Recipient's own behalf or on behalf of any person or entity other than Company, business from any Company Client; or (ii) induce or attempt to induce, on Recipient's own behalf or on behalf of any person or entity other than Company, any consultant, independent contractor, licensee or other third party to sever any existing contractual relationship with Company.

15. **Governing Law**. This Agreement is governed by the internal laws of the State of California without regard to conflicts-of-law principles.

16. **Successors and Assigns**. Company may assign this Agreement, in whole or in part, to any third party, and this Agreement and all of the rights granted hereunder shall inure to the benefit of any such successors, licensees and assigns. If such assignee assumes in writing the obligations of Company hereunder, Company shall be relieved and discharged from its obligations hereunder; if such assignee does not assume such obligations in writing, Company shall remain secondarily liable. Recipient may not assign this Agreement or delegate any of Recipient's rights, responsibilities or obligations hereunder, in whole or in part, without Company's prior written consent.

17. **Severability.** If any provision of this Agreement is adjudged unenforceable, such adjudication shall in no way affect any other provision of this Agreement or the validity or enforcement of the remainder of this Agreement, and the provision affected shall be altered only to the minimum extent necessary to make it conform to the applicable law.

18. **No Waiver**. The waiver by either Party of any breach of any provision of this Agreement by the other Party shall not be construed to be a waiver of any other or subsequent breach, nor shall it be construed as a continuing waiver. Only written waivers signed by the party against whom enforcement is sought shall be valid.

19. **Dispute Resolution**. Any disputes arising out of or in any way relating to this Agreement or the termination thereof shall be settled by final and binding arbitration at ADR Services, Inc. ("ADR"), and heard by one arbitrator in Los Angeles, California. The arbitration shall be conducted in accordance with ADR's Standard Arbitration Rules (the "Rules") in effect at the time the claim is made. The Rules can be found at www.adrservices.org/rules.php. A judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction. California Code of Civil Procedure Section 1283.05, which provides for certain discovery rights, shall apply to any arbitration. The arbitrator shall apply, as applicable, federal or California substantive law and law of remedies. The arbitrator's remedial authority shall be no greater than that which is available under the statutory or common law theory asserted. The arbitrator shall issue a written opinion that includes the factual and legal basis for any decision and award. Recipient, the Company and the arbitrator shall treat all arbitration proceedings—including any decision, award and opinion in support thereof—as confidential, and the arbitrator shall issue such orders as are reasonably necessary to maintain such confidentiality. The Company shall bear the cost of the arbitrator's fees and other costs unique to arbitration in compliance with applicable law. Company and Recipient agree that this arbitration provision is subject to Section 12 of this Agreement and, in addition, either Party may bring an action in any court of competent jurisdiction, if necessary, to compel arbitration under this arbitration provision, to obtain preliminary and/or injunctive relief in support of claims to be prosecuted in arbitration, or to enforce an arbitration award. **COMPANY AND RECIPIENT UNDERSTAND AND ACKNOWLEDGE THAT BY SIGNING THIS AGREEMENT, THEY ARE GIVING UP THE RIGHT TO A JURY TRIAL AND, SUBJECT TO SECTION 12 HEREOF, TO A TRIAL IN A COURT OF LAW.**

20. **Entire Agreement.** The obligations created by this Agreement are in addition to, and not in lieu of, any obligations created by Company's Employee Handbook. This Agreement and the Employee Handbook constitute the entire understanding with respect to the matters addressed herein and supersedes any prior or contemporaneous agreements with respect to the subject matter herein. To the extent this Agreement conflicts with any provision of the Employee Handbook, this Agreement shall supersede such provision and shall govern with respect to such conflict. This Agreement may only be modified or canceled by a writing signed by Recipient and Company's Chief Executive Officer.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which is deemed to be an original, but such counterparts together shall constitute one and the same instrument. This Agreement may be signed by facsimile signature, which shall be deemed effective for all purposes.

22. **Survival.** The provisions of this Agreement shall survive the ending of Recipient's employment by Company and the assignment of this Agreement by Company to any successor in interest or other assignee.

23. **Advice of Counsel.** Recipient acknowledges that, in executing this Agreement, they have had the opportunity to seek the advice of independent legal counsel, and have read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any Party by reason of the drafting or preparation hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.

BLACKLINE SYSTEMS, INC.

By: /s/ John D. Brennan
Title: Chairman
Date: 8/15/2016

RECIPIENT

Signature: /s/ Therese Tucker
Printed Name: Therese Tucker
Date: 8/24/2016

EXHIBIT B

FORM OF RELEASE

CONFIDENTIAL

DATE

NAME

ADDRESS

CITY/STATE/ZIP

Dear NAME:

BlackLine Systems, Inc. would like to thank you for your employment at BlackLine and wishes you the best in your future endeavors. As discussed, you and BlackLine have agreed to end your employment effective today, DATE. This Separation Agreement and General Release (which we refer to as the "Agreement") describes the terms of your departure from BlackLine.

Please note that you are not required to sign this Agreement.

1. What you get if you sign this Agreement

If you do sign this Agreement, return it to BlackLine by 21 DAY DATE and do not revoke it as described below, BlackLine will pay you a severance of $GROSS less tax withholding of $WITHHOLDING to net proceed of $NET.

We refer to everything in the preceding paragraph as "Termination Benefits." You will receive the Termination Benefits only if you sign this Agreement, do not revoke it and comply with its terms. Please note that if you do sign the Agreement and do not revoke it, that you will not receive the severance until at least 8 days after date of signed agreement.

2. What you get if you DO NOT sign this Agreement

Even if you do not sign this Agreement, BlackLine will pay you the compensation you've earned through the last date of your employment and any accrued vacation benefits. Similarly, even if you do not sign this Agreement, you will be offered the rights you're entitled under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), and will retain whatever benefits you currently have under BlackLine's 401(k) Plan.

3. What you are giving up by signing this Agreement

If you sign this Agreement, you give up certain rights and agree to certain matters. Specifically:

- You agree BlackLine owes you no wages, commissions, bonuses, sick pay, personal leave pay, severance pay, vacation pay, or other compensation or benefits, or payments of any kind, other than those stated in this Agreement.
- You agree this Agreement won't in any way be construed as an admission by BlackLine of any: (a) liability; (b) violation of any federal, state, or local law, regulation, order, or other requirement of law, (c) breach of contract, actual or implied; (d) commission of any tort; or (e) civil wrong.
- You and anyone making a claim through you (e.g., your heirs, assigns, beneficiaries, creditors) irrevocably and unconditionally release, acquit and forever discharge BlackLine and its subsidiaries, divisions, predecessors, successors and assigns, as well as past and present officers, directors, employees, shareholders, trustees, joint venturers, partners and anyone claiming through them (together called the "Releases"), in each individual and/or corporate capacity, from all claims, liabilities, promises, actions, damages and the like, which you ever had against any Releases arising out of or relating to your employment at BlackLine and your termination.
- You agree that you understand that there are laws and regulations prohibiting employment discrimination, retaliation for opposing unlawful acts and other laws and regulations related to employment under which you may have rights or claims and that you are waiving these rights and claims. These include, but are not limited to, Title VII of the Civil Rights Act of 1964 (42 U.S.C.S. 2000e); the Americans with Disabilities Act of 1990; the National Labor Relation Act; the Employee Retirement Income Security Act of 1974; the Civil Rights Act of 1991; the Family and Medical Leave Act of 1993; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; and any other applicable federal, state and local laws. You also agree that you understand that there are other statutes, laws,

and regulations of contract and tort otherwise relating to your employment which you waive and release any right to sue. You also waive, release and promise never to assert any claim described in this paragraph, even if you do not believe that you have such claim. Specifically, you expressly waive rights under Section 1542 of the California Civil Code, which provides that:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

You agree that claims or facts in addition to or different from those which are now known or believed by you to exist may be discovered later, but it is your specific intent to release all claims you have or may have against Releases, whether known or unknown, suspected or unsuspected.

- However, you do not intend or waive any rights or claims which any court or administrative agency has or will decide may not be waived.
- You agree not to bring any legal action against any Releases for any claim waived and released under this Agreement and represent and warrant that no such claim has been filed to date. You also agree that if you do bring any administrative or legal action related to claims waived under this Agreement that you will bear all legal fees and costs, including those of the Releases.
- You agree to continue to comply with the covenants in your employment agreement with the Company.
- You will not disclose the fact of or terms of this Agreement, including the severance, to anyone other than your attorney, except as required for accounting or tax purposes or as required by law.
- You agree that this Agreement will be binding on you and BlackLine and each of our heirs, administrators, representatives, executors, successors and assigns and shall inure to their benefit.
- You will cooperate fully with the BlackLine in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed.
- You agree that if you breach any obligations in this Agreement, BlackLine’s responsibilities related to the Termination Benefits shall immediately cease, and you shall immediately return any Termination Benefits made to you to BlackLine.

4. What will happen whether or not you sign this Agreement

Before end of business on 72 HR DATE you promise to return all BlackLine property in your possession including laptop, monitor and all other tangible and intangible property to BlackLine. You represent and warrant that you have not retained any copies, electronic or otherwise, of such property.

You understand that future employers who contact BlackLine about your employment will be referred to H.R., which will only provide the dates of your employment and your last position held. In addition, certain obligations in the BlackLine employee handbook will continue to apply to you.

5. Execution of the Agreement and how to revoke the Agreement

You acknowledge that you have been informed pursuant to the Federal Older Workers Benefit Protection Act of 1990 that:

a. You should consult with an attorney before signing this Agreement;

b. You have twenty-one (21) days from the date of this letter to consider signing this Agreement; and

c. You have seven (7) days after signing this Agreement to revoke the Agreement, and the Agreement will not be effective until that revocation period has expired. If you want to revoke the Agreement, you must provide H.R. a written statement of revocation.

d. You are waiving and releasing any rights you may have under the Age Discrimination in Employment Act of 1967 (“ADEA”), and that this waiver and release is knowing and voluntary. You agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement.

e. Nothing in this Agreement prevents or precludes you from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law.

6. Terms that will apply if you sign the Agreement

- If any part of this Agreement is found invalid or unenforceable, it won’t affect the validity or enforceability of any other provision.
- This Agreement is the entire agreement between you and BlackLine and supersedes any prior oral or written agreements or understandings between you and BlackLine concerning the subject matter of the Agreement. This Agreement may not be altered, amended or modified, except by an additional written document signed by you and BlackLine.

- You represent that you fully understand your rights to review this Agreement with an attorney of your choice, that you've had an opportunity to consult with an attorney of your choice, that you've carefully read and fully understand this Agreement and that you freely, knowingly and voluntarily enter into this Agreement. You also confirm that no other promises or inducements not discussed in this Agreement have been made conferring any benefit on you.
- This Agreement is entered into and governed by the laws of the State of California.
- You understand that nothing in this Agreement shall in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, you understand that you are not required to obtain authorization from Blackline prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise Blackline as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Blackline confidential information to any parties other than the relevant government agencies. You further understand that "Protected Activity" does not include the disclosure of any Blackline attorney-client privileged communications, and that any such disclosure without the Blackline's written consent shall constitute a material breach of this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, you are notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. In addition, an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

If you decide to enter into this Agreement, please sign and return the Agreement to BlackLine by 21 DAY DATE.

Very truly yours,

_____

Title: _____ Date

_____

EMPLOYEE NAME, Employee Date

2015 Chief Executive Officer (CEO) Bonus Plan

PURPOSE: The BlackLine ("Company") CEO Bonus Plan (the "Plan") is designed to incentivize the achievement of BlackLine's strategic priorities through compensation that that supports overall excellence in job performance in accordance with BlackLine business objectives and goals.

DEFINITIONS:

For the purpose of the Plan, the following definitions apply:

a. "Free Cash Flow" ("FCF"): A measure of financial performance calculated after accounting for capital expenditures.

b. "Net Bookings": Refers to the total value of accepted term contracts, contracted work or services, and changes to such contracts as of either the order date or the effective date of the transaction. Bookings typically include all items with a revenue implication, such as new contracts, renewals, upgrades, downgrades, add-ons, early terminations and refunds.

c. "Participant": Chief Executive Officer.

PLAN DESIGN:

The bonus payment is discretionary, subject to assessment of overall individual performance and approval by the Board of Directors.

The eligible earning rate is 100% of the participant's annual salary at the time of payout – equivalent to $325,000.

The Bonus Plan is contingent upon the Company meeting specific financial goals and thresholds, as determined by the Board of Directors.

For 2015, the company must meet pre-established FCF thresholds and vesting schedule is proportionate to the following achievement of revenue goals:

- Plan begins to vest at 80% Net Bookings achievement.
- Once 80% Net Bookings have been met, the Plan pays out at 50%.
- At 100% Net Bookings achievement, the Plan is fully vested at 100%.
- The 2015 Plan is capped at 100% payout.

ELIGIBILITY:

- Discretionary to Board of Directors approval of performance in role. The participant must be an active, full-time employee and not participating in an Individual Compensation Program.

PAYMENT OF BONUSE:

- Bonus payment, if earned, is targeted for distribution in March 2016.
- Bonus amounts are subject to government required withholding payments/deductions.
- All bonus calculations are based on the employee's regular 2015 earnings, which excludes OT, commissions, bonus, etc.

PARTICIPANT ACKNOWLEDGMENT

I acknowledge that I have carefully read, understand and agree to the provisions of the BlackLine CEO Bonus Plan (the "Plan"). I understand and agree that the Plan is not intended to, and does not, alter the at-will employment relationship that exists between the Company and me. I further understand and acknowledge that the Board of Directors is free to amend, modify or eliminate the Plan, in whole or in part, at any time in its sole discretion.

Employee Name: Therese Tucker

Signature: /s/ Therese Tucker Date: 2/5/16

Exhibit 10.16

EMPLOYMENT OFFER LETTER

May 1, 2015

Karole Morgan-Prager
6107 Teague Lane
Granite Bay, CA 95746

Dear Karole:

I am pleased to offer you a position with BlackLine Systems, Inc. (the "Company") as General Counsel reporting to me commencing no later than May X, 2015. Speaking for myself, as well as the other members of the Board and the management team, we are all excited to have you join and we look forward to your future success with the Company.

You will be paid a base salary of $300,000 on an annualized basis ("Base Salary"). Your Base Salary will be payable in bi-weekly payments per year less applicable taxes, deductions and withholdings and otherwise pursuant to the Company's regular payroll policy. You will be provided standard health, life, disability and dental insurance coverage as generally supplied per Company policy and will be eligible for enrollment in the Company's 401(k) plan subject to standard Company policy.

You will be eligible for an annual incentive bonus of 40% of annual salary ($120,000) as incentive compensation in accordance with the eligibility requirements of the Senior Manager Bonus Plan for the full fiscal year provided that you remain employed with the Company through the date that such bonus is paid and subject to the Company's financial performance and the Board's determination of your performance and contribution to the Company. The amount of your target incentive bonus will be prorated for fiscal year 2015 based on the number of full months you are employed during that fiscal year following your acceptance of this letter. Your compensation will be reviewed periodically as part of the Company's normal review process.

You will receive a one-time signing bonus in the gross amount of $50,000, effective DATE (first pay date after start date) and subject to legally required withholding. This will be paid in conjunction with your regular wages during the first payroll after commencement of employment.

Upon receiving documentation substantiating your expenses, Blackline will either pay directly or promptly reimburse you for the following expenses ("Relocation Expenses") up to a total maximum amount of $50,000:

a) The cost of moving your furniture and personal effects, using a moving company approved by Blackline, from Granite Bay, CA to the metropolitan Los Angeles area;

b) for a period not to exceed 30 days, the cost of a hotel or other temporary, short-term housing in the Los Angeles area until your furniture and personal effects arrive.

If, within one year after you commence working at the Woodland Hills headquarters, you voluntarily resign from your employment or you are terminated from your employment for "Cause" (which, for purposes of this offer letter means willful misconduct, failure to carry out your duties, or failure to obey lawful rules or directives), Blackline will be entitled to recoup its payment of Relocation Expenses in accordance with the following schedule:

RESIGNATION/TERMINATION DATE	RECOUPMENT AMOUNT
Within 3 months after you start employment	100% of Relocation Expenses
More than 3 months and less than 6 months after you start employment	75% of Relocation Expenses
More than 6 months and less than 9 months after you start employment	50% of Relocation Expenses
Between 9 and 12 months after you start employment	25% of Relocation Expenses

In addition to your base salary and incentive bonus compensation as described herein, you will receive an incentive stock option to purchase 1,000,000 shares of the Company's common stock at an exercise price determined by the Company's Board of Directors, which will generally be the current fair market value for such shares. Your options will vest and become exercisable over a four-year period with 25% vesting on the one-year anniversary of your first day of employment with BlackLine and with the balance vesting equally every year thereafter over the following three years. The options and vesting in the options will depend on your continued employment with the Company and will be subject to all the terms and conditions of the Company's option plan.

In the event of a "Change of Control", if your employment is terminated by the Company (or its successor or parent) without "Cause" or by you for "Good Reason", within 12 months after the Change of Control, your option vesting schedule will be forward accelerated by two years, effective immediately as of the termination date.

The term "Change of Control" means (1) a sale of all or substantially all of the Company's assets, (2) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) at least a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction; provided, however, that a bona fide equity financing shall not be deemed a Change of Control, or (3) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

For purposes of this agreement, "Cause" means the occurrence of one or more of the following events or circumstances as determined in good faith by a majority of the members of the Board: (i) your gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Board, (ii) commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or a successor, if appropriate), (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company (or a successor, if appropriate) as

determined in good faith by the Board, (iv) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company, or (v) your material breach of any of your obligations under any written agreement or covenant with the Company (or a successor, if appropriate).

For purposes of this agreement, "Good Reason" shall be deemed to occur if any of the following occurs without your written consent: (A) a material change in your authority or operating responsibilities, provided that neither a mere change in title following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control with respect to the operations of the Company nor an immaterial change in responsibilities shall, by itself, constitute a material change in authority or operating responsibilities; (B) a failure to pay, or a reduction in, your base salary or minimum bonus (if applicable), other than a reduction as a result of an across-the-board reduction in base salaries or minimum bonuses for all management-level employees of the Company by an average percentage not less than the percentage reduction of your base salary or minimum bonus; or (C) a requirement for you to relocate.

You should be aware that your employment with the Company is for no specified period and constitutes at-will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice. The Company shall grant you severance pay equal to six months of your Base Salary and Benefits continuation (at the rate in effect on the date of your termination of employment) in the event you are terminated without Cause, provided that you execute and deliver (and do not revoke thereafter) an appropriate release of the Company in the form provided by the Company.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

You agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company.

Commencement of your employment at BlackLine, even if you accept this offer, is conditioned upon: satisfactory verification of any employment references you have provided; and (b) satisfactory completion of a background check.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me. This letter and the agreements relating to proprietary rights between you and the Company and arbitration set forth the terms of your employment with the Company and supersede any prior or contemporaneous representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

This offer will expire if not signed and returned to BlackLine Systems by Monday, May 4, 2015 at 5 PM. This offer is also subject to the results of the Company's standard criminal, background and/or reference checks as may be required.

We look forward to working with you at BlackLine Systems.

Very truly yours,

Therese Tucker
Chief Executive Officer

/s/ Therese Tucker

ACCEPTED AND AGREED:

Karole Morgan-Prager

/s/ Karole Morgan-Prager
Signature

May 4, 2015
Date

2015 Chief Legal Officer (CLO) Bonus Plan

PURPOSE: The BlackLine ("Company") CEO Bonus Plan (the "Plan") is designed to incentivize the achievement of BlackLine's strategic priorities through compensation that that supports overall excellence in job performance in accordance with BlackLine business objectives and goals.

DEFINITIONS:

For the purpose of the Plan, the following definitions apply:

a. "Free Cash Flow" ("FCF"): A measure of financial performance calculated after accounting for capital expenditures.

b. "Net Bookings": Refers to the total value of accepted term contracts, contracted work or services, and changes to such contracts as of either the order date or the effective date of the transaction. Bookings typically include all items with a revenue implication, such as new contracts, renewals, upgrades, downgrades, add-ons, early terminations and refunds.

c. "Participant": Chief Legal Officer.

PLAN DESIGN:

The bonus payment is discretionary, subject to assessment of overall individual performance and approval by the Chief Executive Officer.

The eligible earning rate is 40% of the participant's annual salary at the time of payout – equivalent to $120,000.

The Bonus Plan is contingent upon the Company meeting specific financial goals and thresholds, as determined by the Board of Directors.

For 2015, the company must meet pre-established FCF thresholds and vesting schedule is proportionate to the following achievement of revenue goals:

- Plan begins to vest at 80% Net Bookings achievement.
- Once 80% Net Bookings have been met, the Plan pays out at 50%.
- At 100% Net Bookings achievement, the Plan is fully vested at 100%.
- The 2015 Plan is capped at 100% payout.

ELIGIBILITY:

- Discretionary to CEO approval of performance in role. The participant must be an active, full-time employee and not participating in an Individual Compensation Program.

PAYMENT OF BONUSE:

- Bonus payment, if earned, is targeted for distribution in March 2016.
- Bonus amounts are subject to government required withholding payments/deductions.
- All bonus calculations are based on the employee's regular 2015 earnings, which excludes OT, commissions, bonus, etc.

PARTICIPANT ACKNOWLEDGMENT

I acknowledge that I have carefully read, understand and agree to the provisions of the BlackLine CLO Bonus Plan (the "Plan"). I understand and agree that the Plan is not intended to, and does not, alter the at-will employment relationship that exists between the Company and me. I further understand and acknowledge that the Board of Directors is free to amend, modify or eliminate the Plan, in whole or in part, at any time in its sole discretion.

Employee Name: Karole Morgan-Prager
Signature: /s/ Karole Morgan-Prager Date: 12-29-15

Exhibit 10.18

September 29, 2016

Karole Morgan-Prager
c/o BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367

Re: Confirmatory Employment Letter

Dear Karole:

This letter agreement (the "Agreement") is entered into between Karole Morgan-Prager ("Employee" or "you") and BlackLine, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign this letter, as indicated below. The purpose of this letter is to confirm the current terms and conditions of your employment.

1. *Title; Position.* Your position will continue to be Chief Legal Officer, and you will continue to report to the Chief Executive Officer, with responsibilities as defined in the job description previously provided to you or as otherwise reasonably assigned to you by your supervisor or the Company's board of directors or its authorized committee (the "Committee").

2. *Base Salary.* Your current annual base salary is $340,000. Your annual base salary will be payable in bi-weekly payments, less applicable withholdings and deductions, and otherwise in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. *Annual Bonus.* You are eligible to earn an annual bonus of 40% of your base salary at target, based on achieving performance objectives established by the Committee in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. *Employee Benefits.* You also will continue to be eligible to participate in all of the Company benefit plans as available, including group health insurance and paid time off, based on policies in effect during your employment. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

5. *Severance Policy.* The Committee has designated you a participant in the Company's Change of Control and Severance Policy (the "Policy"), attached as Exhibit A to this letter. As a participant in the Policy, you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment as set forth in Exhibit B to this

letter (the "Participation Terms"), subject to the terms and conditions of the Policy. By signing this letter, you agree that this Agreement, the Policy, and the Participation Terms constitute the entire agreement between you and the Company regarding the subject matter of this paragraph and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied), and specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

6. *Confidentiality Agreement.* As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this letter confirms that the terms of the Company's Confidential Information and Inventions Assignment Agreement and other compliance agreements that you executed when you joined the Company (the "Confidentiality Agreements").

7. *At-Will Employment.* Your employment with the Company will continue to be "at will." It is for no specified term, and may be terminated by you or the Company at any time, with or without cause or advance notice. Although the Company may change the terms and conditions of your employment from time-to-time, (including, but not limited to, changes in your position, compensation, and/or benefits), nothing will change the at-will employment relationship between you and the Company. In addition, the compensation terms described herein will not affect your at-will employment status.

8. *Commitment to Company.* During your employment with the Company, you will perform your duties faithfully and to the best of your ability and will devote your full business efforts and time to the Company. Except as specifically approved by the Committee, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company or any of its subsidiaries or affiliates is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company or any of its subsidiaries or affiliates.

9. *Protected Activity Not Prohibited.* Nothing in this Agreement or in any other agreement between you or the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that

may constitute Confidential Information (within the meaning of the applicable Confidentiality Agreement) to any parties other than the relevant government agencies. You further understand that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit C.

10. *Miscellaneous.* This Agreement, along with the Confidentiality Agreements, the Policy, the Participation Terms, and the arbitration agreement executed when you joined the Company, constitute the entire agreement between you and the Company regarding the subject matters discussed herein, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To accept the letter, please sign in the space indicated and return it to the Company.

Sincerely,

BlackLine, Inc.

By: /s/ Therese Tucker
Therese Tucker
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

Date: September 29, 2016

/s/ Karole Morgan-Prager
Signature

Exhibit 10.19

EMPLOYMENT OFFER LETTER

December 24, 2014

VIA EMAIL

Mr. Mark Partin

Dear Mark:

I am pleased to offer you a position with BlackLine Systems, Inc. (the "Company") as Chief Financial Officer reporting directly to me. Speaking for myself, as well as the other members of the Board and the management team, we are all excited to have you join and we look forward to your future success with the Company

You will be paid a base salary of $300,000 on an annualized basis ("Base Salary").Your Base Salary will be payable in bi-weekly payments per year less applicable taxes, deductions and withholdings and otherwise pursuant to the Company's regular payroll policy. You will be provided standard health, life, disability and dental insurance coverage as generally supplied per Company policy and will be eligible for enrollment in the Company's 401(k) plan subject to standard Company policy.

You will be eligible for an annual incentive bonus with a target amount equal to $60,000 for the full fiscal year provided that you remain employed with the Company through the date that such bonus is paid and subject to the Company's financial performance and the Board's determination of your performance and contribution to the Company. The amount of your target incentive bonus will be prorated for fiscal year 2015 based on the number of full months you are employed during that fiscal year following your acceptance of this letter. Your compensation will be reviewed periodically as part of the Company's normal review process.

In addition to your base salary and incentive bonus compensation as described herein, you will receive an incentive stock option to purchase 2,800,884 shares of the Company's common stock at an exercise price determined by the Company's Board of Directors, which will generally be the current fair market value for such shares. Your options will vest and become exercisable over a four-year period with 25% vesting on the one-year anniversary of your first day of employment with BlackLine and with the balance vesting equally every year thereafter over the following three years. The options and vesting in the options will depend on your continued employment with the Company and will be subject to all the terms and conditions of the Company's option plan.

In the event of a "Change of Control", if your employment is terminated by the Company (or its successor or parent) without "Cause" or by you for "Good Reason", within 12 months after the Change of Control, your option vesting schedule will be forward accelerated by two years, effective immediately as of the termination date.

The term "Change of Control" means (1) a sale of all or substantially all of the Company's assets, (2) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the

holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) at least a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction; provided, however, that a bona fide equity financing shall not be deemed a Change of Control, or (3) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

For purposes of this agreement, "Cause" means the occurrence of one or more of the following events or circumstances as determined in good faith by a majority of the members of the Board: (i) your gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Board, (ii) commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or a successor, if appropriate), (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company (or a successor, if appropriate) as determined in good faith by the Board, (iv) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company, or (v) your material breach of any of your obligations under any written agreement or covenant with the Company (or a successor, if appropriate).

For purposes of this agreement, "Good Reason" shall be deemed to occur if any of the following occurs without your written consent: (A) a material change in your authority or operating responsibilities, provided that neither a mere change in title following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control with respect to the operations of the Company nor an immaterial change in responsibilities shall, by itself, constitute a material change in authority or operating responsibilities; (B) a failure to pay, or a reduction in, your base salary or minimum bonus (if applicable), other than a reduction as a result of an across-the-board reduction in base salaries or minimum bonuses for all management-level employees of the Company by an average percentage not less than the percentage reduction of your base salary or minimum bonus; or (C) a requirement for you to relocate.

You should be aware that your employment with the Company is for no specified period and constitutes at-will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice. The Company shall grant you severance pay equal to six months of your Base Salary and Benefits continuation (at the rate in effect on the date of your termination of employment) in the event you are terminated without Cause, provided that you execute and deliver (and do not revoke thereafter) an appropriate release of the Company in the form provided by the Company.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

You agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company.

Commencement of your employment at BlackLine, even if you accept this offer, is conditioned upon: satisfactory verification of any employment references you have provided; and (b) satisfactory completion of a background check.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me. This letter and the agreements relating to proprietary rights between you and the Company and arbitration set forth the terms of your employment with the Company and supersede any prior or contemporaneous representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

This offer will expire if not signed and returned to BlackLine Systems by Friday, December 26, 2014 at 5 PM. This offer is also subject to the results of the Company's standard criminal, background and/or reference checks as may be required.

We so look forward to working with you at BlackLine Systems!

Very truly yours,

/s/ Therese Tucker
Therese Tucker
Chief Executive Officer

ACCEPTED AND AGREED:

MARK PARTIN

/s/ Mark Partin
Signature

12/25/14
Date

Exhibit 10.20

September 29, 2016

Mark Partin
c/o BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367

Re: Confirmatory Employment Letter

Dear Mark:

This letter agreement (the "Agreement") is entered into between Mark Partin ("Employee" or "you") and BlackLine, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign this letter, as indicated below. The purpose of this letter is to confirm the current terms and conditions of your employment.

1. *Title; Position.* Your position will continue to be Chief Financial Officer, and you will continue to report to the Chief Executive Officer, with responsibilities as defined in the job description previously provided to you or as otherwise reasonably assigned to you by your supervisor or the Company's board of directors or its authorized committee (the "Committee").

2. *Base Salary.* Your current annual base salary is $340,000. Your annual base salary will be payable in bi-weekly payments, less applicable withholdings and deductions, and otherwise in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. *Annual Bonus.* You are eligible to earn an annual bonus of 40% of your base salary at target, based on achieving performance objectives established by the Committee in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. *Employee Benefits.* You also will continue to be eligible to participate in all of the Company benefit plans as available, including group health insurance and paid time off, based on policies in effect during your employment. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

5. *Severance Policy.* The Committee has designated you a participant in the Company's Change of Control and Severance Policy (the "Policy"), attached as Exhibit A to this letter. As a participant in the Policy, you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment as set forth in Exhibit B to this letter (the "Participation Terms"), subject to the terms and conditions of the Policy. By signing

this letter, you agree that this Agreement, the Policy, and the Participation Terms constitute the entire agreement between you and the Company regarding the subject matter of this paragraph and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied), and specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

6. *Confidentiality Agreement.* As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this letter confirms that the terms of the Company's Confidential Information and Inventions Assignment Agreement and other compliance agreements that you executed when you joined the Company (the "Confidentiality Agreements").

7. *At-Will Employment.* Your employment with the Company will continue to be "at will." It is for no specified term, and may be terminated by you or the Company at any time, with or without cause or advance notice. Although the Company may change the terms and conditions of your employment from time-to-time, (including, but not limited to, changes in your position, compensation, and/or benefits), nothing will change the at-will employment relationship between you and the Company. In addition, the compensation terms described herein will not affect your at-will employment status.

8. *Commitment to Company.* During your employment with the Company, you will perform your duties faithfully and to the best of your ability and will devote your full business efforts and time to the Company. Except as specifically approved by the Committee, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company or any of its subsidiaries or affiliates is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company or any of its subsidiaries or affiliates.

9. *Protected Activity Not Prohibited.* Nothing in this Agreement or in any other agreement between you or the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information (within the meaning of the applicable

Confidentiality Agreement) to any parties other than the relevant government agencies. You further understand that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit C.

10. *Miscellaneous.* This Agreement, along with the Confidentiality Agreements, the Policy, the Participation Terms, and the arbitration agreement executed when you joined the Company, constitute the entire agreement between you and the Company regarding the subject matters discussed herein, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To accept the letter, please sign in the space indicated and return it to the Company.

Sincerely,

BlackLine, Inc.

By: /s/ Therese Tucker
Therese Tucker
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

Date: September 29, 2016

/s/ Mark Partin
Signature

Exhibit 10.21

September 29, 2016

Chris Murphy
c/o BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367

Re: Confirmatory Employment Letter

Dear Chris:

This letter agreement (the "Agreement") is entered into between Chris Murphy ("Employee" or "you") and BlackLine, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign this letter, as indicated below. The purpose of this letter is to confirm the current terms and conditions of your employment.

1. *Title; Position.* Your position will continue to be Chief Revenue Officer, and you will continue to report to the Chief Executive Officer, with responsibilities as defined in the job description previously provided to you or as otherwise reasonably assigned to you by your supervisor or the Company's board of directors or its authorized committee (the "Committee").

2. *Base Salary.* Your current annual base salary is $350,000. Your annual base salary will be payable in bi-weekly payments, less applicable withholdings and deductions, and otherwise in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. *Annual Bonus.* You are eligible to earn an annual bonus of 100% of your base salary at target, based on achieving performance objectives established by the Committee in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. *Employee Benefits.* You also will continue to be eligible to participate in all of the Company benefit plans as available, including group health insurance and paid time off, based on policies in effect during your employment. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

5. *Severance Policy.* The Committee has designated you a participant in the Company's Change of Control and Severance Policy (the "Policy"), attached as Exhibit A to this letter. As a participant in the Policy, you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment as set forth in Exhibit B to this

letter (the "Participation Terms"), subject to the terms and conditions of the Policy. By signing this letter, you agree that this Agreement, the Policy, and the Participation Terms constitute the entire agreement between you and the Company regarding the subject matter of this paragraph and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied), and specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company.

6. *Confidentiality Agreement.* As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this letter confirms that the terms of the Company's Confidential Information and Inventions Assignment Agreement and other compliance agreements that you executed when you joined the Company (the "Confidentiality Agreements").

7. *At-Will Employment.* Your employment with the Company will continue to be "at will." It is for no specified term, and may be terminated by you or the Company at any time, with or without cause or advance notice. Although the Company may change the terms and conditions of your employment from time-to-time, (including, but not limited to, changes in your position, compensation, and/or benefits), nothing will change the at-will employment relationship between you and the Company. In addition, the compensation terms described herein will not affect your at-will employment status.

8. *Commitment to Company.* During your employment with the Company, you will perform your duties faithfully and to the best of your ability and will devote your full business efforts and time to the Company. Except as specifically approved by the Committee, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company or any of its subsidiaries or affiliates is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company or any of its subsidiaries or affiliates.

9. *Protected Activity Not Prohibited.* Nothing in this Agreement or in any other agreement between you or the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that

may constitute Confidential Information (within the meaning of the applicable Confidentiality Agreement) to any parties other than the relevant government agencies. You further understand that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit C.

10. *Miscellaneous.* This Agreement, along with the Confidentiality Agreements, the Policy, the Participation Terms, and the arbitration agreement executed when you joined the Company, constitute the entire agreement between you and the Company regarding the subject matters discussed herein, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To accept the letter, please sign in the space indicated and return it to the Company.

Sincerely,

BlackLine, Inc.

By: /s/ Therese Tucker
Therese Tucker
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

Date: September 29, 2016

/s/ Chris Murphy
Signature

Exhibit 10.22

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated as of [*insert date*] (this "Agreement"), is made by and between BlackLine, Inc., a Delaware corporation (the "Company") and [*insert name of indemnitee*] ("Indemnitee").

RECITALS:

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

C. [Indemnitee has certain rights to indemnification and/or insurance provided by [*insert name of fund*] and certain affiliates thereof (collectively, the "Secondary Indemnitors")] which Indemnitee and the Secondary Indemnitors intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein.]

D. Indemnitee's willingness to serve as a director or officer of the Company is predicated, in substantial part, upon the Company's willingness to indemnify Indemnitee to the fullest extent permitted by the laws of the state of Delaware, and upon the other undertakings set forth in this Agreement.

E. Therefore, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as a director or officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "Constituent Documents"), any change in the composition of the Company's Board of Directors (the "Board") or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancement of Expenses (as defined in Section 1(g)) to Indemnitee as set forth in this Agreement and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

F. In light of the considerations referred to in the preceding recitals, it is the Company's intention and desire that the provisions of this Agreement be construed liberally, subject to their express terms, to maximize the protections to be provided to Indemnitee hereunder.

AGREEMENT:

NOW, THEREFORE, the parties hereby agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement with initial capital letters:

(a) "Change in Control" means the occurrence after the date of this Agreement of any of the following events:

(i) the consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another corporation, or other transaction (each, a "***Business Combination***"), unless, in each case, immediately following such Business Combination) all or substantially all of the beneficial owners of voting stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding shares of voting stock of the entity resulting from such Business Combination, or

(ii) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) "Incumbent Directors" means the individuals who, as of the date hereof, are Directors of the Company and any individual becoming a director subsequent to the date hereof whose election, nomination for election by the Company's stockholders, or appointment, was approved by a vote of at least two-thirds of the then Incumbent Directors (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination).

(c) "Subsidiary" means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(d) "Voting Stock" means securities entitled to vote generally in the election of directors (or similar governing bodies).

(e) "Claim" means (i) any threatened, asserted, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; and (ii) any inquiry or investigation, whether made, instituted or conducted by the Company or any other party, including without limitation any federal, state or other governmental entity, that Indemnitee determines might lead to the institution of any such claim, demand, action, suit or proceeding.

(f) "Disinterested Director" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(g) "Expenses" means attorneys' and experts' fees and expenses and all other costs and expenses paid or payable in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to investigate, defend, be a witness in or participate in (including on appeal), any Claim.

(h) "Indemnifiable Claim" means any Claim based upon, arising out of or resulting from (i) any actual, alleged or suspected act or failure to act by Indemnitee in his or her capacity as a director, officer, employee or agent of the Company or as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture,

trust or other entity or enterprise, whether or not for profit, as to which Indemnitee is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent, (ii) any actual, alleged or suspected act or failure to act by Indemnitee in respect of any business, transaction, communication, filing, disclosure or other activity of the Company or any other entity or enterprise referred to in clause (i) of this sentence, or (iii) Indemnitee's status as a current or former director, officer, employee or agent of the Company or as a current or former director, officer, employee, member, manager, trustee or agent of the Company or any other entity or enterprise referred to in clause (i) of this sentence or any actual, alleged or suspected act or failure to act by Indemnitee in connection with any obligation or restriction imposed upon Indemnitee by reason of such status.

(i) "Indemnifiable Losses" means any and all Losses relating to, arising out of or resulting from any Indemnifiable Claim.

(j) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Indemnifiable Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(k) "Losses" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other) and amounts paid in settlement, including without limitation all interest, assessments and other charges paid or payable in connection with or in respect of any of the foregoing.

2. Indemnification Obligation. Subject to Section 7, the Company shall indemnify, defend and hold harmless Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Indemnifiable Claims and Indemnifiable Losses; *provided*, *however*, that, except as provided in Section 5, Indemnitee shall not be entitled to indemnification pursuant to this Agreement (a) in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company (in an action approved by a majority of the Disinterested Directors who are also not affiliated with the Indemnitee) has joined in or consented to the initiation of such Claim, (b) if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law, or (c) for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company prior to the final disposition of any Indemnifiable Claim of any and all Expenses relating to any Indemnifiable Claim paid or incurred by Indemnitee or reasonably likely to be paid or incurred by Indemnitee within ninety (90) days following the date of the request for indemnification hereunder. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within five business days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses; *provided* that Indemnitee shall repay, without interest, any

amounts actually advanced to Indemnitee that, at the final disposition of the Indemnifiable Claim to which the advance related, were in excess of amounts paid or payable by Indemnitee in respect of Expenses relating to from such Indemnifiable Claim. In connection with any such payment, advancement or reimbursement, Indemnitee shall execute and deliver to the Company an undertaking, which need not be secured and shall be accepted without reference to Indemnitee's ability to repay the Expenses, by or on behalf of the Indemnitee, to repay any Expenses if it shall have been determined, pursuant to Section 7, that the Indemnitee is not entitled to indemnification hereunder.

4. Indemnification for Additional Expenses. The Company shall also indemnify against and, if requested by Indemnitee, shall reimburse Indemnitee in accordance with for, or advance to Indemnitee in accordance with Section 3, within five business days of such request, any Expenses paid or incurred by Indemnitee or which Indemnitee is reasonably likely to pay or incur within ninety (90) days following the date of the request for indemnification hereunder in connection with any Claim by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Indemnifiable Claims, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless in each case of whether Indemnitee ultimately is determined to be entitled to such indemnification, reimbursement, advance or insurance recovery, as the case may be; *provided, however*, that Indemnitee shall return, without interest, any such advance of Expenses (or portion thereof) which remains unspent at the final disposition of the Claim to which the advance related.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Indemnifiable Loss but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Procedure for Notification. To obtain indemnification under this Agreement in respect of an Indemnifiable Claim or Indemnifiable Loss, Indemnitee shall submit to the Company a written request therefor, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying such Indemnifiable Claim or Indemnifiable Loss. If, at the time of the receipt of such request, the Company has directors' and officers' liability insurance in effect under which coverage for such Indemnifiable Claim or Indemnifiable Loss is potentially available, the Company shall give prompt written notice of such Indemnifiable Claim or Indemnifiable Loss to the applicable insurers in accordance with the procedures set forth in the applicable policies. The Company shall provide to Indemnitee a copy of such notice delivered to the applicable insurers, and copies of all subsequent correspondence between the Company and such insurers regarding the Indemnifiable Claim or Indemnifiable Loss, in each case substantially concurrently with the delivery or receipt thereof by the Company. The failure by Indemnitee to timely notify the Company of any Indemnifiable Claim or Indemnifiable Loss shall not relieve the Company from any liability hereunder unless, and only to the extent that, the Company's ability to participate in the defense of such Indemnifiable Claim or Indemnifiable Loss was materially and adversely affected by such failure.

7. **Determination of Right to Indemnification**.

(a) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Indemnifiable Claim or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Indemnifiable Losses relating to such Indemnifiable Claim in accordance with Section 2 and no Standard of Conduct Determination (as defined in Section 7(b)) shall be required.

(b) To the extent that the provisions of Section 7(a) are inapplicable to an Indemnifiable Claim that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Indemnifiable Losses relating to such Indemnifiable Claim (a "Standard of Conduct Determination") shall be made as follows: (i) if no Change of Control shall have occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and (ii) if a Change in Control shall have occurred, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee. The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within five business days of such request, any and all costs and expenses (including attorneys' and experts' fees and expenses) incurred by Indemnitee in cooperating with the person or persons making such Standard of Conduct Determination.

(c) The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 7(b) to be made as promptly as practicable. If the person or persons determined under Section 7 to make the Standard of Conduct Determination shall not have made a determination within 30 days after the later of (A) receipt by the Company of written notice from Indemnitee advising the Company of the final disposition of the applicable Indemnifiable Claim (the date of such receipt being the "Notification Date") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto.

(d) If (i) Indemnitee shall be entitled to indemnification pursuant to Section 7(a), (ii) no determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law is a legally required condition to indemnification of Indemnitee hereunder against any Indemnifiable Losses, or (iii) Indemnitee has been determined or deemed pursuant to Section 7(b) or (c) to have satisfied any applicable standard of conduct under Delaware law which is a legally required condition to indemnification of Indemnitee then the Company shall pay to Indemnitee, within five business days after the later of (x) the Notification Date regarding the Indemnifiable Claim giving rise to the Indemnifiable Losses and (y) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Indemnifiable Losses.

(e) If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 7(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five business days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in Section 1(j), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has

determined that such objection is without merit and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences and clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 7(e) to make the Standard of Conduct Determination shall have been selected within 30 days after the Company gives its initial notice pursuant to the first sentence of this Section 7(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 7(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 7(b).

8. Presumption of Entitlement. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct, and the Company shall have the burden to overcome that presumption. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Court of Chancery of the State of Delaware. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct shall be a defense to any Claim by Indemnitee for indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

9. No Other Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or that indemnification hereunder is otherwise not permitted.

10. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, or the substantive laws of the Company's jurisdiction of incorporation, any other contract or otherwise (collectively, "***Other Indemnity Provisions***"); *provided, however*, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision. [Without limitation of the foregoing, the Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the Secondary Indemnitors. The Company hereby agrees that it (i) is, relative to the Secondary Indemnitors, the indemnitor of first resort (i.e., its obligations to Indemnitee under this Agreement are primary and any duplicative, overlapping or corresponding obligations of the Secondary Indemnitors are secondary), (ii) shall be required to make all advances and other payments under this Agreement, and shall be fully liable therefor, without regard to any rights Indemnitee may have against the Secondary Indemnitors, and (iii) irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against

the Secondary Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof, except to the extent that such waiver and release would contravene the provisions of any applicable insurance policy. The Company further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Secondary Indemnitors is an express third party beneficiary of the terms of this Section 10.]

11. Liability Insurance and Funding. For the duration of Indemnitee's service as a director and/or officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Indemnifiable Claim, the Company shall use reasonable best efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. Upon request, the Company shall provide Indemnitee with a copy of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials. Without limiting the generality or effect of the two immediately preceding sentences, the Company shall not discontinue or significantly reduce the scope or amount of coverage from one policy period to the next (i) without the prior approval thereof by a majority vote of the Incumbent Directors, even if less than a quorum, or (ii) if at the time that any such discontinuation or significant reduction in the scope or amount of coverage is proposed there are no Incumbent Directors, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed). Notwithstanding the foregoing, in all policies of directors' and officers' liability insurance obtained or maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors and officers most favorably insured by such policy. The Company may, but shall not be required to, create a trust fund, grant a security interest or use other means, including without limitation a letter of credit, to ensure the payment of such amounts as may be necessary to satisfy its obligations to indemnify and advance expenses pursuant to this Agreement.

12. Subrogation. [Except as provided in Section 10, i][I]n the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the related rights of recovery of Indemnitee against other persons or entities (other than Indemnitee's successors), including any entity or enterprise referred to in clause (i) of the definition of "Indemnifiable Claim" in Section 1(h). Indemnitee shall execute all papers reasonably required to evidence such rights (all of Indemnitee's reasonable Expenses, including attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).

13. No Duplication of Payments. [Except as provided in Section 10, t][T]he Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Indemnifiable Losses to the extent Indemnitee has otherwise actually received payment (net of Expenses incurred in connection therewith) under any insurance policy, the Constituent Documents and Other Indemnity Provisions or otherwise.

14. Defense of Claims. The Company shall be entitled to participate in the defense of any Indemnifiable Claim or to assume the defense thereof, with counsel reasonably satisfactory to the Indemnitee; *provided* that if Indemnitee reasonably determines, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual conflict, or (b) any such representation by such counsel would be precluded

under the applicable standards of professional conduct then prevailing, or (c) if the Company approves, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Indemnifiable Claim) at the Company's expense. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Indemnifiable Claim effected without the Company's prior written consent. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any threatened or pending Indemnifiable Claim which the Indemnitee is a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of the Indemnitee from all liability on any claims that are the subject matter of such Indemnifiable Claim. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement; *provided* that Indemnitee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnitee.

15. Successors and Binding Agreement.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement shall be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any person acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "***Company***" for purposes of this Agreement), but shall not otherwise be assignable or delegatable by the Company.

(b) This Agreement shall inure to the benefit of and be enforceable by the Indemnitee's personal or legal representatives, executors, administrators, heirs, distributees, legatees and other successors.

(c) This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 15(a) and 15(b). Without limiting the generality or effect of the foregoing, Indemnitee's right to receive payments hereunder shall not be assignable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by the Indemnitee's will or by the laws of descent and distribution, and, in the event of any attempted assignment or transfer contrary to this Section 15(c), the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

16. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to the Company (to the attention of the Secretary of the Company) and to Indemnitee at the addresses shown on the signature page hereto, or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without giving effect to the principles of conflict of laws of such State. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the Chancery Court of the State of Delaware for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the Chancery Court of the State of Delaware.

18. Validity. If any provision of this Agreement or the application of any provision hereof to any person or circumstance is held invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstance shall not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal shall be reformed to the extent, and only to the extent, necessary to make it enforceable, valid or legal. In the event that any court or other adjudicative body shall decline to reform any provision of this Agreement held to be invalid, unenforceable or otherwise illegal as contemplated by the immediately preceding sentence, the parties thereto shall take all such action as may be necessary or appropriate to replace the provision so held to be invalid, unenforceable or otherwise illegal with one or more alternative provisions that effectuate the purpose and intent of the original provisions of this Agreement as fully as possible without being invalid, unenforceable or otherwise illegal.

19. Miscellaneous. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement. References to Sections are to references to Sections of this Agreement.

20. Legal Fees and Expenses. It is the intent of the Company that Indemnitee not be required to incur legal fees and or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. Accordingly, without limiting the generality or effect of any other provision hereof, if it should appear to Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Company as hereafter provided, to advise and represent Indemnitee in connection with any such interpretation, enforcement or defense, including without limitation the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Without respect to whether Indemnitee prevails, in whole or in part, in connection with any of the foregoing, the Company will pay and be solely financially responsible for any and all attorneys' and related fees and expenses incurred by Indemnitee in connection with any of the foregoing.

21. Certain Interpretive Matters. No provision of this Agreement shall be interpreted in favor of, or against, either of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together shall constitute one and the same agreement.

* * * * *

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Indemnification Agreement as of the date first above written.

COMPANY:

BLACKLINE, INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF, Indemnitee has executed and the Company has caused its duly authorized representative to execute this Indemnification Agreement as of the date first above written

INDEMNITEE:

_____

[*insert name of indemnitee*]

Exhibit 10.23

EXECUTION VERSION
Confidential

RESTRICTIVE COVENANT AGREEMENT

This RESTRICTIVE COVENANT AGREEMENT (this "Agreement"), dated as of Aug 8, 2013, is made by and between Therese Tucker (the "Equity Holder") and SLS Breeze Holdings, Inc. (the "Parent"), a Delaware corporation.

WHEREAS, this Agreement is being entered into in connection with that certain Agreement and Plan of Merger, executed concurrently herewith by and among the Parent, SLS Breeze Intermediate Holdings, Inc., a Delaware corporation and a subsidiary of Parent ("Intermediate Corp"), SLS Breeze Merger Sub, Inc. a California corporation and subsidiary of Parent (the "Merger Sub"), and BlackLine Systems, Inc., a California corporation (the "Company") (the "Merger Agreement");

WHEREAS, Parent, Intermediate Corp, Merger Sub, and the Company have agreed to merge the Merger Sub with and into the Company, forming the Surviving Company as a subsidiary of the Parent, on the terms and conditions set forth in the Merger Agreement (such transaction, the "Merger" and the closing thereof, the "Closing");

WHEREAS, the Equity Holder is a holder of Company common stock and/or options to acquire Company common stock and as such will benefit substantially from the Merger Agreement and the transactions contemplated thereby;

WHEREAS, Parent wishes to protect its investment in the Business made pursuant to the Merger Agreement, including the confidential and proprietary information and goodwill possessed by the Equity Holder, by restricting the activities of the Equity Holder as set forth herein which might be competitive with or harmful to the Business; and

WHEREAS, the execution of this Agreement by the Equity Holder is a condition to Parent's willingness to enter into the Merger Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and other provisions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Restrictive Covenants.

(a) For a period of five (5) years beginning on the Effective Date (such five (5) year period being the "Restrictive Covenant Term"), the Equity Holder shall not, directly or indirectly:

(i) engage or have any interest, whether as officer, agent, employee, director, partner or stockholder, or through the investment of capital, lending of money or rendering of services, in any business or Person that is competing with the Business anywhere in the world; or

(ii) solicit or induce any Person who is an employee or consultant of the Company or any subsidiary of the Company to terminate or reduce his, her or its services to the Company or such subsidiary or otherwise hire any such Person, provided, however, that nothing herein shall be deemed to prohibit the Equity Holder (i) from soliciting or hiring any employee or consultant of the Company or any of its subsidiaries, if such employee or consultant is a member of the Equity Holder's immediate family; (ii) from placing advertisements in newspapers or other media of general circulation advertising employment or consulting opportunities; and (iii) from hiring persons who are no longer employees or consultants of the Company or any of its subsidiaries at the time of hiring, provided that they were not otherwise solicited by the Equity Holder in violation of this section.

For purposes of this Agreement, "Business" shall mean the business conducted by the Company and its subsidiaries on or prior to the Effective Date, and "Person" means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

(b) Notwithstanding anything to the contrary herein, the Equity Holder may own, solely as an investment, securities of any company engaged in the Business which such securities are publicly traded on a national stock exchange, so long as (i) the Equity Holder is not a controlling person of or a member of a group which controls such company and (ii) the Equity Holder does not, directly or indirectly, own 5% or more of such company.

(c) Equity Holder agrees that, from and after the Effective Date, Equity Holder shall treat and hold as confidential all information concerning the businesses and affairs of the Company or any of its subsidiaries (including all intellectual property of the Company and its subsidiaries) that is proprietary to, or otherwise treated as confidential by, the Company or its subsidiaries (the "Confidential Information") and, except as otherwise expressly permitted by this Agreement, refrain from using any of the Confidential Information and, upon the request of Parent, deliver promptly to Parent or destroy all tangible embodiments (and all copies) of the Confidential Information which are in Equity Holder's possession or otherwise under Equity Holder's control. In the event that Equity Holder is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Equity Holder shall, to the extent permitted by applicable law, notify Parent promptly of the request or requirement so that Parent may seek, at its sole expense, an appropriate protective order or waive compliance with the provisions of this Section 1(c). If, in the absence of a protective order or the receipt of a waiver hereunder, Equity Holder is compelled to disclose any Confidential Information under applicable law, Equity Holder may disclose the Confidential Information; provided that Equity Holder shall use reasonable efforts to obtain, at the request and sole expense of Parent, an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed. Notwithstanding the foregoing, for purposes of this Agreement, Confidential Information shall not include information (i) which is or becomes generally available to the public other than as a result of a disclosure by Equity Holder in violation of this Agreement or (ii) was lawfully disclosed to Equity Holder by a third party without breach of any obligation and without restriction.

(d) The Equity Holder expressly acknowledges that compliance with the restrictions set forth in this Agreement will not prevent her from earning a livelihood. The Equity Holder further agrees that the restrictions set forth herein are reasonable for the purposes of protecting the business and goodwill of the Company in connection with the Merger. The Equity Holder acknowledges that Parent would be irreparably harmed and that monetary damages may not provide an adequate remedy in the event that the covenants contained herein were not complied with strictly in accordance with their terms. Accordingly, the Equity Holder agrees that any breach or threatened breach by her of any provision hereof shall entitle Parent to seek injunctive and other equitable relief to secure the enforcement of these provisions, in addition to any and all other remedies which may be available to Parent. It is the desire and intent of the parties hereto that the provisions hereof be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provisions hereof relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, as the case may be, the time period, scope of activities or geographic area shall be reduced to the maximum extent that such court deems enforceable. If any provision hereof other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

2. Miscellaneous.

(a) This Agreement shall become effective automatically without any further action by or on behalf of any party hereto upon the Closing (the date on which the Closing is consummated and this Agreement becomes effective is referred to herein as the “Effective Date”). If the Merger Agreement is terminated prior to the Closing in accordance with its terms, then this Agreement shall terminate and be of no further force or effect.

(b) This Agreement constitutes the entire agreement and understanding of the parties hereto relating to the Equity Holder’s restrictive covenant agreement in connection with the Merger. The recitals above are hereby incorporated into the Agreement of the parties hereto. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree and acknowledge that delivery of a signature by facsimile shall constitute execution by such signatory.

(c) This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without giving effect to its conflict of laws rules that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties.

(d) Any failure by a party to this Agreement to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver. No delay on the part of any party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party to this Agreement of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This Agreement may be amended or modified only by a written instrument executed by both of the parties hereto.

(e) The rights and remedies provided for in this Agreement are cumulative and are not exclusive of any rights or remedies which the parties to this Agreement may otherwise have at law or in equity.

(f) No party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, and any purported assignment without such consent shall be null and void.

(g) Each of the parties hereto agrees to bring any Action arising out of this Agreement exclusively to the jurisdiction of any federal or state court in the State of California having subject matter jurisdiction. Each of the parties agrees that venue will be proper as to proceedings brought in any such federal or state court.

(h) The Parties agree that solely for income tax purposes, $100,000 of the consideration due to the Equity Holder pursuant to the Merger Agreement shall be allocated to this Agreement (the “Allocation”). The Parties shall file all tax returns consistent with the Allocation.

(i) All notices, requests, instructions, claims, demands, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given on the date delivered by hand or by overnight courier service such as Federal Express or by other messenger (as evidenced by written receipt, or, if delivery is refused, upon presentment) or upon receipt by facsimile transmission (with confirmation), or upon delivery by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses:

If to the Equity Holder:

Therese Tucker
###
###
Tel.: ### Fax: ###

with a copy (which shall not constitute notice) to:

If to the Parent:

c/o Silver Lake Sumeru
2775 Sand Hill Road
Menlo Park, California 94025
Facsimile: (650) 233-8125
Attention: Hollie Moore Haynes

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
3330 Hillview Avenue
Palo Alto, CA 94025
Facsimile: (650) 859-7500
Attention: Adam D. Phillips

or to such other address as either party hereto may have previously furnished to the other in writing in the manner set forth above.

IN WITNESS WHEREOF, the parties hereto have entered into and signed this Agreement as of the date and year first above written.

/s/ Therese Tucker

Therese Tucker
Address:

###

###

Tel: ###
Fax: ###

SLS BREEZE HOLDINGS, INC.

By:
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have entered into and signed this Agreement as of the date and year first above written.

Therese Tucker
Address:

Tel:
Fax:

SLS BREEZE HOLDINGS, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

Exhibit 10.24

EXECUTION VERSION
Confidential

RESTRICTIVE COVENANT AGREEMENT

This RESTRICTIVE COVENANT AGREEMENT (this "Agreement"), dated as of August 9, 2013, is made by and between Mario Spanicciati (the "Equity Holder") and SLS Breeze Holdings, Inc. (the "Parent"), a Delaware corporation.

WHEREAS, this Agreement is being entered into in connection with that certain Agreement and Plan of Merger, executed concurrently herewith by and among the Parent, SLS Breeze Intermediate Holdings, Inc., a Delaware corporation and a subsidiary of Parent ("Intermediate Corp"), SLS Breeze Merger Sub, Inc. a California corporation and subsidiary of Parent (the "Merger Sub"), and BlackLine Systems, Inc., a California corporation (the "Company") (the "Merger Agreement");

WHEREAS, Parent, Intermediate Corp, Merger Sub, and the Company have agreed to merge the Merger Sub with and into the Company, forming the Surviving Company as a subsidiary of the Parent, on the terms and conditions set forth in the Merger Agreement (such transaction, the "Merger" and the closing thereof, the "Closing");

WHEREAS, the Equity Holder is a holder of Company common stock and/or options to acquire Company common stock and as such will benefit substantially from the Merger Agreement and the transactions contemplated thereby;

WHEREAS, Parent wishes to protect its investment in the Business made pursuant to the Merger Agreement, including the confidential and proprietary information and goodwill possessed by the Equity Holder, by restricting the activities of the Equity Holder as set forth herein which might be competitive with or harmful to the Business; and

WHEREAS, the execution of this Agreement by the Equity Holder is a condition to Parent's willingness to enter into the Merger Agreement.

NOW, THEREFORE, in consideration of the terms, conditions and other provisions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Restrictive Covenants.

(a) For a period of five (5) years beginning on the Effective Date (such five (5) year period being the "Restrictive Covenant Term"), the Equity Holder shall not, directly or indirectly:

(i) engage or have any interest, whether as officer, agent, employee, director, partner or stockholder, or through the investment of capital, lending of money or rendering of services, in any business or Person that is competing with the Business anywhere in the world; or

(ii) solicit or induce any Person who is an employee or consultant of the Company or any subsidiary of the Company to terminate or reduce his, her or its services to the Company or such subsidiary or otherwise hire any such Person, provided, however, that nothing herein shall be deemed to prohibit the Equity Holder (i) from soliciting or hiring any employee or consultant of the Company or any of its subsidiaries, if such employee or consultant is a member of the Equity Holder's immediate family; (ii) from placing advertisements in newspapers or other media of general circulation advertising employment or consulting opportunities; and (iii) from hiring persons who are no longer employees or consultants of the Company or any of its subsidiaries at the time of hiring, provided that they were not otherwise solicited by the Equity Holder in violation of this section.

For purposes of this Agreement, "Business" shall mean the business conducted by the Company and its subsidiaries on or prior to the Effective Date, and "Person" means any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, trust, association, organization or other entity of any kind or nature.

(b) Notwithstanding anything to the contrary herein, the Equity Holder may own, solely as an investment, securities of any company engaged in the Business which such securities are publicly traded on a national stock exchange, so long as (i) the Equity Holder is not a controlling person of or a member of a group which controls such company and (ii) the Equity Holder does not, directly or indirectly, own 5% or more of such company.

(c) Equity Holder agrees that, from and after the Effective Date, Equity Holder shall treat and hold as confidential all information concerning the businesses and affairs of the Company or any of its subsidiaries (including all intellectual property of the Company and its subsidiaries) that is proprietary to, or otherwise treated as confidential by, the Company or its subsidiaries (the "Confidential Information") and, except as otherwise expressly permitted by this Agreement, refrain from using any of the Confidential Information and, upon the request of Parent, deliver promptly to Parent or destroy all tangible embodiments (and all copies) of the Confidential Information which are in Equity Holder's possession or otherwise under Equity Holder's control. In the event that Equity Holder is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Equity Holder shall, to the extent permitted by applicable law, notify Parent promptly of the request or requirement so that Parent may seek, at its sole expense, an appropriate protective order or waive compliance with the provisions of this Section 1(c). If, in the absence of a protective order or the receipt of a waiver hereunder, Equity Holder is compelled to disclose any Confidential Information under applicable law, Equity Holder may disclose the Confidential Information; provided that Equity Holder shall use reasonable efforts to obtain, at the request and sole expense of Parent, an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed. Notwithstanding the foregoing, for purposes of this Agreement, Confidential Information shall not include information (i) which is or becomes generally available to the public other than as a result of a disclosure by Equity Holder in violation of this Agreement or (ii) was lawfully disclosed to Equity Holder by a third party without breach of any obligation and without restriction.

(d) The Equity Holder expressly acknowledges that compliance with the restrictions set forth in this Agreement will not prevent him from earning a livelihood. The Equity Holder further agrees that the restrictions set forth herein are reasonable for the purposes of protecting the business and goodwill of the Company in connection with the Merger. The Equity Holder acknowledges that Parent would be irreparably harmed and that monetary damages may not provide an adequate remedy in the event that the covenants contained herein were not complied with strictly in accordance with their terms. Accordingly, the Equity Holder agrees that any breach or threatened breach by him of any provision hereof shall entitle Parent to seek injunctive and other equitable relief to secure the enforcement of these provisions, in addition to any and all other remedies which may be available to Parent. It is the desire and intent of the parties hereto that the provisions hereof be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. If any provisions hereof relating to the time period, scope of activities or geographic area of restrictions is declared by a court of competent jurisdiction to exceed the maximum permissible time period, scope of activities or geographic area, as the case may be, the time period, scope of activities or geographic area shall be reduced to the maximum extent that such court deems enforceable. If any provision hereof other than those described in the preceding sentence are adjudicated to be invalid or unenforceable, the invalid or unenforceable provisions shall be deemed amended (with respect only to the jurisdiction in which such adjudication is made) in such manner as to render them enforceable and to effectuate as nearly as possible the original intentions and agreement of the parties.

2. Miscellaneous.

(a) This Agreement shall become effective automatically without any further action by or on behalf of any party hereto upon the Closing (the date on which the Closing is consummated and this Agreement becomes effective is referred to herein as the “Effective Date”). If the Merger Agreement is terminated prior to the Closing in accordance with its terms, then this Agreement shall terminate and be of no further force or effect.

(b) This Agreement constitutes the entire agreement and understanding of the parties hereto relating to the Equity Holder’s restrictive covenant agreement in connection with the Merger. The recitals above are hereby incorporated into the Agreement of the parties hereto. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree and acknowledge that delivery of a signature by facsimile shall constitute execution by such signatory.

(c) This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without giving effect to its conflict of laws rules that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties.

(d) Any failure by a party to this Agreement to comply with any obligation, covenant, agreement or condition in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver. No delay on the part of any party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party to this Agreement of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This Agreement may be amended or modified only by a written instrument executed by both of the parties hereto.

(e) The rights and remedies provided for in this Agreement are cumulative and are not exclusive of any rights or remedies which the parties to this Agreement may otherwise have at law or in equity.

(f) No party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, and any purported assignment without such consent shall be null and void.

(g) Each of the parties hereto agrees to bring any Action arising out of this Agreement exclusively to the jurisdiction of any federal or state court in the State of California having subject matter jurisdiction. Each of the parties agrees that venue will be proper as to proceedings brought in any such federal or state court.

(h) The Parties agree that solely for income tax purposes, $50,000 of the consideration due to the Equity Holder pursuant to the Merger Agreement shall be allocated to this Agreement (the “Allocation”). The Parties shall file all tax returns consistent with the Allocation.

(i) All notices, requests, instructions, claims, demands, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given on the date delivered by hand or by overnight courier service such as Federal Express or by other messenger (as evidenced by written receipt, or, if delivery is refused, upon presentment) or upon receipt by facsimile transmission (with confirmation), or upon delivery by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses:

If to the Equity Holder:

Mario Spaniciatti
###
###
###

with a copy (which shall not constitute notice) to:

If to the Parent:

c/o Silver Lake Sumeru
2775 Sand Hill Road
Menlo Park, California 94025
Facsimile: (650) 233-8125
Attention: Hollie Moore Haynes

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
3330 Hillview Avenue
Palo Alto, CA 94025
Facsimile: (650) 859-7500
Attention: Adam D. Phillips

or to such other address as either party hereto may have previously furnished to the other in writing in the manner set forth above.

IN WITNESS WHEREOF, the parties hereto have entered into and signed this Agreement as of the date and year first above written.

/s/ Mario Spanicciati

Mario Spanicciati
Address:

###
###
###
Tel:
Fax:

SLS BREEZE HOLDINGS, INC.

By:
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have entered into and signed this Agreement as of the date and year first above written.

Mario Spanicciati
Address:

Tel:
Fax:

SLS BREEZE HOLDINGS, INC.

By: /s/ Hollie Moore Haynes
Name: Hollie Moore Haynes
Title: President

Exhibit 10.25

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

OFFICE LEASE

Between

DOUGLAS EMMETT 2008, LLC,

a Delaware limited liability company

as Landlord

and

BLACKLINE SYSTEMS, INC.,

a California corporation

as Tenant

Dated

November 22, 2010

OFFICE LEASE
BASIC LEASE INFORMATION

	Date:	November 22, 2010
	Landlord:	DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company
	Tenant:	BLACKLINE SYSTEMS, INC., a California corporation
SECTION		
1.1	Premises:	21300 Victory Boulevard, Suite 1200, Woodland Hills, California 91367
1.4	Rentable Area of Premises:	Approximately 22,067 square feet
1.4	Usable Area of Premises:	Approximately 20,147 square feet
2.1	Term:	Commencing on the Commencement Date and expiring on the last day of the calendar month which is seventy-two (72) months following the Rent Commencement Date.
	Anticipated Term Commencement Date:	April 22, 2011 (as modified by Section 2.1)
	Rent Commencement Date:	September 15, 2011 (as modified by Section 2.1)
	Expiration Date:	The last day of the calendar month which is seventy-two (72) months following the Rent Commencement Date.
3.1	Fixed Monthly Rent:	$[***]
3.3	Fixed Monthly Rent Increase:	[***] per annum (commencing on the (one) 1 year anniversary of the Rent Commencement Date)
	Date of First Increase:	SEE SECTION 3.3
	Frequency of Increase:	Annually
3.7	Security Deposit:	$[***]
4.1	Tenant's Share:	9.08% (based on a total Usable Area of the Building of approximately 221,981 square feet as of the date of this Lease)
4.2	Base Year for Operating Expenses:	2011
6.1	Use of Premises:	General office use consistent with the operation of a first-class office building in the Woodland Hills area
16.1	Tenant's Address for Notices:	
	Before the Commencement Date:	23586 Calabasas Road, Suite 103 Calabasas, California 91302 Attention: Controller With copies of any default or breach notices to: Brumer Law Group, P.C. 25000 Avenue Stanford, Suite 207 Valencia, California 91355 Attention: Ari Brumer, Esq.

	After the Commencement Date:	21300 Victory Boulevard, Suite 1200, Woodland Hills, California 91367 Attention: Controller With copies of any default or breach notices to: Brumer Law Group, P.C. 25000 Avenue Stanford, Suite 207 Valencia, California 91355 Attention: Ari Brumer, Esq.
	Tenant's Billing Address	21300 Victory Boulevard, Suite 1200, Woodland Hills, California 91367
	Contact:	Controller
	Landlord's Address for Notices:	Douglas Emmett 2008, LLC c/o Douglas Emmett Management, LLC Director of Property Management 808 Wilshire Boulevard, Suite 200 Santa Monica, California 90401
20.5	Brokers:	For Landlord: Douglas Emmett Management, LLC 808 Wilshire Boulevard, Suite 200 Santa Monica, California 90401 and For Tenant: CB Richard Ellis, Inc. 111 Universal Hollywood Drive, 27th Floor Universal City, California 91608 Attention, Matt Heyn
21.1	Parking Permits:	The right but not the obligation to purchase up to [***] parking permits for each one thousand (1,000) square feet of Usable Area in the Premises (i.e., [***] spaces as of the date of this Lease), of which up to a maximum of seven (7) permits shall be reserved spaces and the remaining shall be for unreserved spaces

Except as noted hereinbelow, the foregoing Basic Lease Information is hereby incorporated into and made a part of this Lease. The Section reference in the left margin of the Basic Lease Information exists solely to indicate where such reference initially appears in this Lease document. Except as specified hereinbelow, each such reference in this Lease document shall incorporate the applicable Basic Lease Information. However, in the event of any conflict between any reference contained in the Basic Lease Information and the specific wording of this Lease, the wording of this Lease shall control.

OFFICE LEASE
TABLE OF CONTENTS

EXHIBITS

OFFICE LEASE

This Office Lease (this "Lease"), dated November 22, 2010, is by and between DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company ("Landlord"), with an office at 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, and BLACKLINE SYSTEMS, INC., a California corporation ("Tenant"), with an office at 23586 Calabasas Road, Suite 103, Calabasas, California 91302.

ARTICLE 1
DEMISE OF PREMISES

S**ection 1.1 Demise.** Subject to the covenants and agreements contained in this Lease, Landlord leases to Tenant and Tenant hires from Landlord, Suite Number 1200 (the "Premises") on the twelfth (12th) floor, in the building located at 21300 Victory Boulevard, Woodland Hills, California 91367 (the "Building"). The configuration of the Premises is shown on Exhibit A, attached hereto and made a part hereof by reference.

Tenant acknowledges that it has made its own inspection of and inquiries regarding the Premises, subject to the terms and conditions this Lease. Therefore, except for the improvements to be completed by Landlord pursuant to Exhibit B, attached hereto and made a part hereof by reference, and subject to Landlord's obligations under this Lease, and subject to any latent defects of which Tenant notifies Landlord in writing within eighteen (18) months after the date of substantial completion of the Improvements and the delivery of the Premises to Tenant, Tenant accepts the Premises in their "as-is" condition. Tenant further acknowledges that Landlord has made no representation or warranty, express or implied, except as are contained in this Lease and its Exhibits, regarding the condition, suitability or usability of the Premises or the Building for the purposes intended by Tenant. Landlord shall, at its sole cost and expense, cause the Building's electrical, plumbing, HVAC and elevator systems, and any other Building systems serving the Premises, to be in good working order and repair as of the Commencement Date.

The Building, the Building's parking facilities, any outside plaza areas, land and other improvements surrounding the Building which are designated from time to time by Landlord as Common Areas appurtenant to or servicing the Building, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the "Real Property".

Section 1.2 Tenant's Non-Exclusive Use. Subject to the contingencies contained herein, Tenant is granted the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms, parking facilities, lobbies and other public or Common Areas located on the Real Property (collectively, "Common Areas"). However, the manner in which such public and Common Areas are maintained and operated shall be at the reasonable discretion of Landlord, and Tenant's use thereof shall be subject to such reasonable and non-discriminatory rules, regulations and restrictions as Landlord may make from time to time. Notwithstanding the foregoing, but subject to Landlord's reservations of rights under Section 1.3, below, Tenant shall have exclusive use of all areas on the 12th floor of the Building, and any other full floor that Tenant leases in the Building.

Section 1.3 Landlord's Reservation of Rights. Landlord specifically reserves to itself use, control and repair of the structural portions of all perimeter walls of the Premises, any balconies, terraces or roofs adjacent to the Premises (including any flagpoles or other installations on said walls, balconies, terraces or roofs) and any space in and/or adjacent to the Premises used for the Building's shafts, stairways (other than any internal stairways within the Premises), pipes, conduits, ducts, mail chutes, conveyors, pneumatic tubes, electric or other utilities, sinks, fan rooms or other Building facilities, and the use thereof, as well as access thereto through the Premises. Landlord also specifically reserves to itself the following rights, subject to the terms and conditions of this Lease, and which Landlord shall exercise reasonably, and in a non-discriminatory manner, without interfering with any of Tenant's rights under this Lease, and so long as Tenant's access to and use of the Premises, Common Areas, parking areas, signage and rooftop equipment is not materially impaired thereby:

(a) To designate all sources furnishing sign painting or lettering;

(b) To constantly have pass keys to the Premises;

(c) To grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, so long as Landlord's granting of the same does not prohibit Tenant's use of the Premises for Tenant's Specified Use, as defined in Article 6;

(d) To enter the Premises at any reasonable time with reasonable notice (except for emergencies) to inspect, repair, alter, improve, update or make additions to the Premises or the Building so long as Tenant's access to and use of the Premises is not materially impaired thereby;

(e) During the last six (6) months of the Term, to exhibit the Premises to prospective future tenants upon not less than 24 hours prior notice;

(f) Subject to the provisions of Article 12, to, at any time, and from time to time, whether at Tenant's request or pursuant to governmental requirement, repair, alter, make additions to, improve, or decorate all or any portion of the Real Property,

Building or Premises at any reasonable time with reasonable notice (except for emergencies), so long as Tenant's access to and use of the Premises is not materially impaired thereby. In connection therewith, and without limiting the generality of the foregoing rights, Landlord shall specifically have the right to remove, alter, improve or rebuild all or any part of the lobby of the Building as the same is presently or shall hereafter be constituted;

(g) Subject to the provisions of Article 12, Landlord reserves the right to make alterations or additions to or change the location of elements of the Real Property and any Common Areas appurtenant thereto at any reasonable time with reasonable notice (except for emergencies), and to access any utility closet or storage areas or restrooms, so long as Tenant's access to and use of the Premises is not materially impaired thereby; and/or

(h) To take such other actions as may reasonably be necessary when the same are required to preserve, protect or improve the Premises, the Building, or Landlord's interest therein at any reasonable time with reasonable notice (except for emergencies), so long as Tenant's access to and use of the Premises is not materially impaired thereby.

Notwithstanding the foregoing or anything to the contrary set forth in this Lease, upon notice to Landlord Tenant may from time to time designate certain areas of the Premises as "Secured Areas" as Tenant's business may require such areas for the purpose of securing certain valuable property or confidential information or for regulatory purposes. In connection with the foregoing, Landlord shall not enter such Secured Areas except in the event of an emergency or unless Landlord is accompanied by a Tenant escort, to the extent an escort is reasonably available. Landlord shall only maintain or repair such Secured Areas to the extent (i) such repair or maintenance is required in order to maintain and repair the Building systems or structure or required in order to make repairs affecting areas outside of Tenant's Premises; (ii) required by applicable laws, or (iii) in response to specific requests by Tenant and in accordance with a schedule reasonably designated by Tenant, subject to Landlord's reasonable approval.

Section 1.4 Area. Landlord and Tenant agree that the usable area (the "Usable Area") of the Premises has been measured using the 2010 ANSI/BOMA Standard published collectively by the American National Standards Institute and the Building Owners' and Managers' Association ("ANSI/BOMA Standard"), as a guideline, and that Landlord is utilizing a deemed add-on factor of [***]% to compute the rentable area (the "Rentable Area") of the Premises. Rentable Area herein is calculated as [***] times the estimated Usable Area, regardless of what the actual square footage of the Common Areas of the Building may be, and whether or not they are more or less than [***]% of the total estimated Usable Area of the Building. The purpose of this calculation is solely to provide a general basis for comparison and pricing of this space in relation to other spaces in the market area. Landlord and Tenant further agree that even if the Rentable or Usable Area of the Premises and/or the total Building Area are later determined to be more or less than the figures stated herein, for all purposes of this Lease, the figures stated herein shall be conclusively deemed to be the actual Rentable or Usable Area of the Premises, as the case may be.

Section 1.5 Quiet Enjoyment. So long as Tenant is not in default under this Lease beyond all applicable notice and cure periods with regard to keeping, observing and performing all of the covenants, agreements, terms, provisions and conditions of this Lease on its part to be kept, observed and performed, Tenant shall lawfully and quietly hold, occupy and enjoy the Premises during the Term.

Section 1.6 No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which is now or may hereafter be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord. Noise, dust or vibration or other ordinary incidents to new construction of improvements on lands adjacent to the Building, whether or not by Landlord, shall in no way affect this Lease or impose any liability on Landlord.

ARTICLE 2
COMMENCEMENT DATE AND TERM

Section 2.1 Commencement Date and Term. The term of this Lease ("Term") shall commence the next day after the date Landlord substantially completes the Improvements contemplated under Exhibit B in accordance with the terms and conditions of this Lease, and delivers possession of the Premises to Tenant in broom-clean condition and free of any tenancies (the "Commencement Date"), and shall end, unless sooner terminated as otherwise provided herein, at 11:59 p.m. on the last day of the calendar month that is seventy-two (72) months after the Rent Commencement Date (the "Termination Date"). The anticipated Commencement Date is April 22, 2011, and Landlord shall use commercially reasonable efforts to have the Commencement Date occur as soon as reasonably practicable on or before April 22, 2011. Landlord shall deliver the Premises to Tenant in accordance with the terms and conditions of this Lease upon the next day after the date Landlord substantially completes the Improvements contemplated under Exhibit B in accordance with the terms and conditions of this Lease (subject to the following paragraph). The Rent Commencement Date shall be the later of the Commencement Date or September 15, 2011, subject to extension, as set forth below ("Rent Commencement Date"). Tenant shall be entitled to possess, occupy, improve and use the entire Premises as of the Commencement Date and Tenant shall have no obligation to pay Fixed Monthly Rent until the Rent Commencement Date. Tenant shall pay parking charges and all other amounts due to Landlord (if any) during such period of beneficial occupancy prior to the Rent Commencement Date, subject to any discounts or abatement of parking provided for under the terms of this Lease.

Landlord, subject to the terms of this paragraph, shall grant Tenant access to the Premises up to approximately thirty (30) days prior to the Commencement Date, solely for the purpose of installing Tenant's furniture, fixtures and equipment, computer and telephone cabling (the "Access Period"). Tenant's access to the Premises shall be for the purposes herein stated such access shall not interfere with or delay construction of the Improvements. During the Access Period, if any, Tenant shall be subject to Landlord's reasonable administrative control and supervision and Tenant shall comply with all of the provisions and covenants contained in this Lease, except that Tenant shall not be obligated to pay Fixed Monthly Rent or Additional Rent until the Rent Commencement Date (as defined above).

In the event of any Tenant Delay (as such term is defined in Exhibit B), in addition to any other remedies available to Landlord under this Lease or applicable law, the Commencement Date shall be deemed to be the next day after the date the Improvements would have been substantially completed had no such Tenant Delay occurred. In the event of any Landlord Delay (as such term is defined in Exhibit B), in addition to any other remedies available to Tenant under this Lease or applicable law, the Rent Commencement Date shall be delayed day for day for each day of such Landlord Delay(s), but only if such Landlord Delay (when aggregated with all other Landlord Delays, if any) causes a delay in the construction of the Improvements such that substantial completion occurs on or after May 22, 2011.

Landlord and Tenant shall promptly execute an amendment to this Lease (the "Memorandum") substantially in the form attached hereto as Exhibit D, confirming the finalized Commencement Date and Term as soon as they are determined. Tenant shall execute the Memorandum and return it to Landlord within fifteen (15) business days after receipt thereof. Failure of Tenant to timely execute and deliver the Memorandum shall constitute an acknowledgement by Tenant that the statements included in such Memorandum are true and correct. For purposes of establishing the Commencement Date, substantial completion shall be defined as that point in the construction process when a temporary certificate of occupancy or its substantial equivalent (such as a final signature card sign off from the City of Los Angeles) has been issued the applicable governmental authorities for Tenant's use and occupancy of the entire Premises for the Specified Use (as defined in Section 6.1), and the Improvements, including, without limitation, the structural, mechanical, plumbing and electrical work specified herein has been performed in accordance with the terms and conditions of this Lease; the paint, carpet, hard flooring materials, and base moldings, if any, have been installed and substantially completed in accordance with the terms and conditions of this Lease, subject to punch list items which do not materially affect Tenant's use of the Premises, and which punch list items shall be performed by Landlord within 30 days after such substantial completion.

Except as set forth in this Lease, if for any reason (including any Tenant Delay or Landlord's inability to complete the Improvements called for hereunder) Landlord is unable to deliver possession of the Premises to Tenant on the anticipated Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession. However, Tenant shall not be obligated to pay the Fixed Monthly Rent or Additional Rent that Tenant is required to pay pursuant to Section 3.1 until the Rent Commencement Date. Except for such delay in the commencement of Rent (but subject to any acceleration of the Commencement Date as a result of any Tenant Delay), and except as otherwise expressly set forth in this Lease, Landlord's failure to give possession on the anticipated Commencement Date shall in no way affect Tenant's obligations hereunder.

If possession of the Premises is not tendered by Landlord in accordance with the terms and conditions of this Lease, with substantial completion of the Improvements having occurred within ninety (90) days after the anticipated Commencement Date, then, subject to any Tenant Delay, Tenant shall have the right to terminate this Lease by giving written notice to Landlord within ten (10) business days after such failure. Landlord shall have ten (10) business days after receipt of such notice to cure such failure and, if Landlord has not cured the matter within such time period (subject to any Tenant Delay), this Lease shall terminate upon a second (2nd) written notice from Tenant after such failure to cure. If such notice of termination is not so given by Tenant within said ten (10) business day time period, then this Lease shall continue in full force and effect.

Section 2.2 Holding Over. If Tenant fails to deliver possession of the Premises on the Termination Date, but holds over after the expiration or earlier termination of this Lease without the express prior written consent of Landlord, such tenancy shall be construed as a month to month tenancy on the same terms and conditions as are contained herein, except that the Fixed Monthly Rent payable by Tenant during such period of holding over shall automatically increase as of the Termination Date to an amount equal to one hundred twenty-five percent (125%) of the Fixed Monthly Rent payable by Tenant for the calendar month immediately prior to the date when Tenant commences such holding over and, beginning on the sixty-first (61st) day after the Termination Date and continuing thereafter during any period of holding over, the Fixed Monthly Rent payable by Tenant shall increase to an amount equal to one hundred fifty percent (150%) of the Fixed Monthly Rent payable by Tenant for the calendar month immediately prior to the date when Tenant commenced such holding over (with respect to the Fixed Monthly Rent due during either time period the "Holdover Rent"). During

any period of holding over without Landlord's consent, Tenant shall be obligated to pay Holdover Rent for a full calendar month whether or not Tenant remains in possession of the Premises for the entire calendar month and there shall be no pro-rata apportionment of Holdover Rent. Tenant's payment of such Holdover Rent, and Landlord's acceptance thereof, shall not constitute a waiver by Landlord of any of Landlord's rights or remedies with respect to such holding over, nor shall it be deemed to be a consent by Landlord to Tenant's continued occupancy or possession of the Premises past the time period covered by Tenant's payment of the Holdover Rent.

Furthermore, if Tenant fails to deliver possession of the Premises to Landlord upon the expiration or earlier termination of this Lease, and Landlord has theretofore notified Tenant in writing that Landlord requires possession of the Premises for a succeeding tenant, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees and expenses) and liability resulting from such failure.

Notwithstanding the provisions contained hereinabove regarding Tenant's liability for a continuing holdover, Landlord agrees to use commercially reasonable efforts to insert into any future lease of another tenant proposing to occupy the Premises provisions similar to those contained in Section 2.1, permitting mitigation of Tenant's damages arising out of Tenant's temporary holdover.

ARTICLE 3
PAYMENT OF RENT, LATE CHARGE

Section 3.1 Payment of Fixed Monthly Rent and Additional Rent. "Rent" shall mean: all payments of monies in any form whatsoever required under the terms and provisions of this Lease, and shall consist of:

(a) "Fixed Monthly Rent", which shall be payable initially in equal monthly installments of $[***] beginning on the Rent Commencement Date (which initial Fixed Monthly Rent shall be calculated using a base rate of $[***] per rentable square foot for a Rentable Area of [***] square feet of the Premises), subject to (i) delay of the Rent Commencement Date in accordance with Section 2.1 of this Lease in the event of a Landlord Delay (but only if such Landlord Delay (aggregated with all other Landlord Delays, if any) causes a delay in the construction of the Improvements such that substantial completion occurs on or after May 22, 2011), and (ii) adjustment as provided in Section 3.3 of this Lease; plus

(b) Additional Rent as provided in Article 4 and elsewhere in this Lease.

(c) "Amortization Rent" which shall mean the total cost of Excess Improvements advanced by Landlord, if any, pursuant to Tenant's request under the provisions of Section 2(b) of Exhibit B with interest thereon at the rate of [***] per annum, amortized on a straight-line basis over the Term, to be paid as and when Fixed Monthly Rent is paid.

Section 3.2 Manner of Payment. Tenant shall pay Fixed Monthly Rent and Additional Rent immediately upon the same becoming due and payable, without demand therefor, and without any abatement, set off or deduction whatsoever, except as may be expressly provided in this Lease. Landlord's failure to submit statements to Tenant stating the amount of Fixed Monthly Rent or Additional Rent then due, including Landlord's failure to provide to Tenant a calculation of the adjustment as required in Section 3.3 or the Escalation Statement referred to in Article 4, shall not constitute Landlord's waiver of Tenant's requirement to pay the Rent called for herein. Tenant's failure to pay Additional Rent as provided herein shall constitute a material default equal to Tenant's failure to pay Fixed Monthly Rent when due.

Rent shall be payable in advance on the first day of each and every calendar month throughout the Term, in lawful money of the United States of America, to Landlord at 21300 Victory Boulevard, Suite 285, Woodland Hills, California 91367, or at such other place(s) as Landlord designates in writing to Tenant. Tenant's obligation to pay Rent shall begin on the Rent Commencement Date and continue throughout the Term, without abatement, setoff or deduction, except as otherwise specified hereinbelow.

Concurrent with Tenant's execution and delivery to Landlord of this Lease, Tenant shall pay to Landlord the Fixed Monthly Rent due for the first full month of following the Rent Commencement Date.

Section 3.3 Fixed Monthly Rent Increase. Commencing on the date that is the first (1st) calendar day of the fifth (5th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the tenth (10th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month (which Fixed Monthly Rent shall be calculated using a base rate of $[***] per rentable square foot for a Rentable Area of [***] square feet of the Premises). Notwithstanding anything to the contrary in this Lease, although certain amounts hereunder are payable based on a Rentable Area that is less than the Rentable Area for the entire Premises, the entire Premises shall be delivered to Tenant with substantial completion of the Improvements, and Tenant shall have the use and enjoyment of the entire Premises, as further set forth in Section 2.1 above.

Commencing on the date that is the first (1st) calendar day of the eleventh (11th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the twelfth (12th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month (which Fixed Monthly Rent shall be calculated using a base rate of $[***] per rentable square foot for a Rentable Area of the entire Premises).

Commencing on the date that is the first (1st) calendar day of the thirteenth (13th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the twenty-fourth (24th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month

Commencing on the date that is the first (1st) calendar day of the twenty-fifth (25th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the thirty-sixth (36th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the date that is the first (1st) calendar day of the thirty-seventh (37th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the forty-eighth (48th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the date that is the first (1st) calendar day of the forty-ninth (49th) calendar month after the Rent Commencement Date, and continuing through the last calendar day of the sixtieth (60th) calendar month after the Rent Commencement Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the date that is the first (1st) calendar day of the sixty-first (61st) calendar month after the Rent Commencement Date, and continuing throughout the remainder of the initial Term, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Landlord and Tenant shall, in the Memorandum, confirm the actual dates upon which the changes in Fixed Monthly Rent specified above shall occur.

Notwithstanding the foregoing, Tenant shall be permitted to defer [***] of the Fixed Monthly Rent due for each of the calendar months starting on [***] and continuing through and including the [***] anniversary of [***] (collectively, the amount of Fixed Monthly Rent deferred shall be referred to herein as the "Rent Deferral Amount"). So long as Landlord has not terminated this Lease prior to its then scheduled expiration date in accordance with the terms and conditions of this Lease as a result of a material default of Tenant under this Lease beyond all applicable notice and cure periods, the entire Rent Deferral Amount shall be abated and forgiven as of the Termination Date; provided, however, that if Landlord has terminated this Lease prior to its then scheduled expiration date in accordance with the terms and conditions of this Lease as a result of a material default of Tenant under this Lease beyond all applicable notice and cure periods, then (a) Tenant shall pay to Landlord upon demand the entire Rent Deferral Amount due for the months of the Term prior to the occurrence of such material default, and (b) Tenant shall not be entitled to any additional or future deferral of Fixed Monthly Rent.

Section 3.4 Tenant's Payment of Certain Taxes. Tenant shall, within thirty (30) days following Tenant's receipt of Landlord's invoices, reimburse Landlord, as Additional Rent, for any and all taxes, surcharges, levies, assessments, fees and charges payable by Landlord when:

(a) assessed on, measured by, or reasonably attributable to the cost or value of Tenant's equipment, b) on or measured by any rent payable hereunder, including, without limitation, any gross income tax, gross receipts tax, or excise tax levied by the City or County of Los Angeles or any other governmental body with respect to the receipt of such rent (computed as if such rent were the only income of Landlord), but solely when levied by the appropriate City or County agency in lieu of, or as an adjunct to, such business license(s), fees or taxes as would otherwise have been payable by Tenant directly to such taxing authority. If it becomes unlawful for Tenant so to reimburse Landlord, the rent payable to Landlord under this Lease shall be revised to net Landlord the same rent after imposition of any such tax as would have been payable to Landlord prior to the imposition of any such tax.

Said taxes shall be due and payable whether or not now customary or within the contemplation of Landlord and Tenant. Notwithstanding the above, in no event shall the provisions of this Section 3.4 serve to entitle Landlord to reimbursement from Tenant for any federal, state, county or city income tax payable by Landlord or the managing agent of Landlord.

Section 3.5 Certain Adjustments. If:

(a) the Commencement Date occurs on other than January 1st of a calendar year, or this Lease expires or terminates on other than December 31st of a calendar year;

(b) the size of the Premises changes during a calendar year; or

(c) any abatement of Fixed Monthly Rent or Additional Rent occurs during a calendar year,

then the amount payable by Tenant or reimbursable by Landlord during such year shall be adjusted proportionately on a daily basis, and the obligation to pay such amount shall survive the expiration or earlier termination of this Lease.

If the Commencement Date occurs on other than the first day of a calendar month, or this Lease expires on a day other than the last day of a calendar month, then the Fixed Monthly Rent and Additional Rent payable by Tenant shall be appropriately apportioned on a prorata basis for the number of days remaining in the month of the Term for which such proration is calculated.

If the amount of Fixed Monthly Rent or Additional Rent due is modified pursuant to the terms of this Lease, such modification shall take effect the first day of the calendar month immediately following the date such modification would have been scheduled.

Section 3.6 Late Charge and Interest. Tenant acknowledges that late payment by Tenant to Landlord of Fixed Monthly Rent or Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which are extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of Fixed Monthly Rent or Additional Rent and other payment due from Tenant hereunder is not received by Landlord within seven (7) business days of the date it becomes due, Tenant shall pay to Landlord on demand an additional sum equal to five percent (5%) of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable settlement against the costs that Landlord will incur by reason of Tenant's late payment. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

Every installment of Fixed Monthly Rent and Additional Rent and any other payment due hereunder from Tenant to Landlord which is not paid within twelve (12) days after the same becomes due and payable shall, in addition to any Late Charge already paid by Tenant, bear interest at the rate of ten percent (10%) per annum from the date that the same originally became due and payable until the date it is paid. Landlord shall bill Tenant for said interest, and Tenant shall pay the same within five (5) days of receipt of Landlord's billing.

Notwithstanding the foregoing, Tenant shall not be assessed any late charge for the first late payment in each twelve (12) month period of the Term so long as Tenant pays such amount within five (5) business days of Tenant's receipt of written notice from Landlord that such amount has not been paid.

Section 3.7 Security Deposit. Concurrent with Tenant's execution and tendering of this Lease to Landlord, Tenant shall deposit the sum of $[***] (the "Security Deposit"), which amount Tenant shall thereafter at all times maintain on deposit with Landlord as security for Tenant's full and faithful observance and performance of its obligations under this Lease (expressly including, without limitation, the payment as and when due of the Fixed Monthly Rent, Additional Rent and any other sums or damages payable by Tenant hereunder and the payment of any and all other damages for which Tenant shall be liable by reason of any act or omission contrary to any of said covenants or agreements). Landlord shall have the right to commingle the Security Deposit with its general assets and shall not be obligated to pay Tenant interest thereon.

If at any time Tenant defaults in the performance of any of its obligations under this Lease, after the expiration of notice and the opportunity to cure (if a notice and cure period is provided for under this Lease for the particular default), then, Landlord may:

(a) apply as much of the Security Deposit as may be necessary to cure Tenant's non-payment of the Fixed Monthly Rent, Additional Rent and/or other sums or damages due from Tenant; and/or;

(b) if Tenant is in default of any of the covenants or agreements of this Lease; apply so much of the Security Deposit as may be necessary to reimburse all expenses incurred by Landlord in curing such default; or

(c) if the Security Deposit is insufficient to pay the sums specified in Section 3.7 (a) or (b), elect to apply the entire Security Deposit in partial payment thereof, and proceed against Tenant pursuant to the provisions of Article 17 and Article 18 herein.

Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Article 18 below, and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of this Lease beyond all applicable notice and cure periods by Tenant. If, as a result of Landlord's application of any portion or all of the Security Deposit as may be expressly permitted hereunder, the amount held by Landlord declines to less than $[***], Tenant shall, within ten (10) days after demand therefor, deposit with Landlord additional cash sufficient to bring the then-existing balance held as the Security Deposit to the amount specified hereinabove. Tenant's failure to deposit said amount shall constitute a material breach of this Lease.

At the expiration or earlier termination of this Lease, Landlord shall deduct from the Security Deposit being held, as may be expressly permitted hereunder, on behalf of Tenant any unpaid sums, costs, expenses or damages payable by Tenant pursuant to the provisions of this Lease; and/or any costs required to cure Tenant's default or performance of any other covenant or agreement of this Lease, and shall, within thirty (30) days after the expiration or earlier termination of this Lease, return to Tenant, without interest, all or such part of the Security Deposit as then remains on deposit with Landlord.

ARTICLE 4
ADDITIONAL RENT

Section 4.1 Certain Definitions. As used in this Lease:

(a) "Escalation Statement" means a statement by Landlord, setting forth the amount payable by Tenant or by Landlord, as the case may be, for a specified calendar year pursuant to this Article 4.

(b) "Operating Expenses" means the following in a referenced calendar year, including the Base Year as hereinafter defined, calculated assuming the Building is at least ninety-five percent (95%) occupied for purposes of calculating variable operating expenses: all costs of management, operation, maintenance, and repair of the Building.

By way of illustration only, Operating Expenses shall include, but not be limited to: management fees, which shall not exceed those reasonable and customary in the geographic area in which the Building is located; water and sewer charges; any and all insurance premiums not otherwise directly payable by Tenant; license, permit and inspection fees; air conditioning (including repair of same); heat; light; power and other utilities; steam; labor; cleaning and janitorial services; guard services; supplies; materials; equipment and tools.

Operating Expenses shall also include the cost or portion thereof of those capital improvements made to the Building by Landlord during the Term (the "Permitted CapEx"):

(i) To the extent that such capital improvements reduce other Operating Expenses, when the same were made to the Building by Landlord after the Rent Commencement Date, or

(ii) that are required under any governmental law or regulation that was not applicable to the Building as of the Rent Commencement Date.

Said capital improvement costs, or the allocable portion thereof (as referred to in clauses (i) and (ii) above), shall be amortized in equal, annual installments over the useful life of the subject capital improvement pursuant to generally-accepted accounting principles, together with interest on the unamortized balance at the rate of eight percent (8%) per annum.

Operating Expenses shall also include all general and special real estate taxes, increases in assessments or special assessments and any other ad valorem taxes, rates, levies and assessments paid during a calendar year (or portion thereof) upon or with respect to the Building and the personal property used by Landlord to operate the Building, whether paid to any governmental or quasi-governmental authority, and all taxes specifically imposed in lieu of any such taxes (but excluding taxes referred to in Section 3.4 for which Tenant or other tenants in the Building are liable) including fees of counsel and experts, reasonably incurred by, or reimbursable by Landlord in connection with any application for a reduction in the assessed valuation of the Building and/or the land thereunder or for a judicial review thereof, (collectively "Appeal Fees"), but solely to the extent that the Appeal Fees result directly in a reduction of taxes otherwise payable by Tenant. However, in no event shall the portion of Operating Expenses used to calculate any billing to Tenant attributable to real estate taxes and assessments for any expense year be less than the billing for real estate taxes and assessments during the Base Year. Notwithstanding anything to the contrary set forth in this Lease, the amount of taxes included in Operating Expenses for the Base Year and any subsequent year shall be calculated without taking into account any decreases in real estate taxes obtained in connection with any reductions obtained by Landlord pursuant to California Proposition 8. Except as set forth in the preceding sentence, refunds of taxes, to the extent previously paid by Tenant to Landlord as part of Operating Expenses, shall be credited back to Tenant's Operating Expenses due regardless of when received, based on the year to which the refund is applicable. Operating Expenses shall also include, but not be limited to, the premiums for the following insurance coverage: all-risk, structural, fire, boiler and machinery, liability, earthquake and for replacement of tenant improvements to a maximum of $35.00 per usable square foot, and for such other coverage(s), and at such policy limit(s) as Landlord deems reasonably prudent and/or are required by any lender or ground lessor, which coverage and limits Landlord may, in Landlord's reasonable discretion, change from time to time.

If, in any calendar year following the Base Year, as defined hereinbelow (a "Subsequent Year"), a new expense item (e.g., earthquake insurance, concierge services; entry card systems), is included in Operating Expenses which was not included in the Base Year Operating Expenses, then the cost of such new item shall be added to the Base Year Operating Expenses for purposes of determining the Additional Rent payable under this Article 4 for such Subsequent Year. During each Subsequent Year, the same amount shall continue to be included in the computation of Operating Expenses for the Base Year, resulting in each such Subsequent Year Operating Expenses only including the increase in the cost of such new item over the Base Year, as so adjusted. However, if in any Subsequent Year thereafter, such new item is not included in Operating Expenses, no such addition shall be made to Base Year Operating Expenses.

Conversely, as reasonably determined by Landlord, when an expense item that was originally included in the Base Year Operating Expenses is, in any Subsequent Year, no longer included in Operating Expenses, then the cost of such item shall be deleted from the Base Year Operating Expenses for purposes of determining the Additional Rent payable under this Article 4 for such Subsequent Year. The same amount shall continue to be deleted from the Base Year Operating Expenses for each Subsequent Year thereafter that the item is not included. However, if such expense item is again included in the Operating Expenses for any Subsequent Year, then the amount of said expense item originally included in the Base Year Operating Expenses shall again be added back to the Base Year Operating Expenses.

(c) Exclusions from Operating Expenses. Notwithstanding anything contained in the definition of Operating Expenses as set forth in

Subsection 4.1(b) of this Lease, Operating Expenses shall not include the following:

(i) The costs of repairs to the Building, if and to the extent that any such costs is actually reimbursed by the insurance carried by Landlord or otherwise, or subject to award under any eminent domain proceeding;

(ii) Depreciation, amortization and interest payments, except as specifically permitted herein or except on materials, tools supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services. In such a circumstance, the inclusion of all depreciation, amortization and interest payments shall be determined pursuant to generally accepted accounting principles, consistently applied, amortized over the reasonably anticipated useful life of the capital item for which such amortization, depreciation or interest allocation was calculated;

(iii) Marketing costs, including leasing commissions, attorneys' fees incurred in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;

(iv) Expenses for services not offered to Tenant or for which Tenant is charged directly, whether or not such services or other benefits are provided to another tenant or occupant of the Building;

(v) Costs incurred due to Landlord's or any tenant of the Building's violation, other than Tenant, of the terms and conditions of any lease or rental agreement in the Building;

(vi) Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Building or the land thereunder;

(vii) Costs associated with operating the entity which constitutes Landlord, as the same are distinguished from the costs of operation of the Building, including, without limitation, reserves, general corporate overhead and administrative expense, partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs (including attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord's ownership of the Building;

(viii) Leasing advertising and promotional expenditures, and costs of leasing signs in or on the Building identifying the owner of the Building, or other tenants signs;

(ix) Electric, gas or other power costs for which (and only to the extent) Landlord has been directly reimbursed by another tenant or occupant of the Building, or for which any tenant directly contracts with the local public service company;

(x) Costs, including attorneys' fees and settlement judgments and/or payments in lieu thereof, arising from actual or potential claims, disputes, litigation or arbitration pertaining to Landlord and/or the Building;

(xi) Costs incurred with respect to the installation of Tenant's or other occupant's improvements or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for Tenant or other occupants of the Building;

(xii) Tax penalties and interest incurred as a result of Landlord's negligent or willful failure to make payments and/or to file any income tax or informational return(s) when due, unless such non-payment is due to Tenant's nonpayment of rent;

(xiii) Any charitable or political contributions;

(xiv) The purchase or rental price of any sculpture, paintings or other object of art (except for costs associated with any common area fountains), whether or not installed in, on or upon the Building;

(xv) Costs of repairs which would have been covered by casualty insurance but for Landlord's failure to maintain casualty insurance to cover the replacement value of the Building as required by this Lease;

(xvi) Capital expenditures, including, without limitation, costs of capital repairs, replacements or improvements, except for the Permitted CapEx (but only to the extent of the amortized portion, as set forth in (b) above) expressly permitted to be included in Operating Expenses under the terms of subsections (b)(i) or (b)(ii) above;

(xvii) The assessment or billing of operating expenses that results in Landlord being reimbursed more than one hundred percent (100%) of the total expenses for the calendar year in question;

(xviii) Costs incurred in connection with the original construction of the Building or in connection with any major structural change in the Building, such as adding or deleting entire floors;

(xix) The wages and benefits of any employee who does not devote substantially all of his or her employed time to the Building unless such wages and benefits are prorated to reflect time spent on operating and managing the Building vis-à-vis time spent on matters unrelated to operating and managing the Building; provided, that in no event shall Operating Expenses include wages and/or benefits attributable to personnel above the level of Building manager or Building engineer;

(xx) Any amount paid by Landlord or to the parent organization or a subsidiary or affiliate of Landlord for supplies, work and/or services, to the extent the same exceeds the costs of such supplies, work and/or services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(xxi) Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord;

(xxii) Any management fee in excess of five percent (5%) of the total Rent for the Building or any fees or reimbursements payable to Landlord and/or its affiliates which exceed the amount which would normally be paid to comparable unaffiliated third party vendors at the Comparable Buildings (as defined below);

(xxiii) Rent for any office space occupied by Landlord's management personnel to the extent the size or rental rate of of comparable first-class high-rise office buildings in Woodland Hills, California ("Comparable Buildings"), with adjustment where appropriate for the size of the applicable building;

(xxiv) Costs arising from the negligence or willful misconduct of Landlord or its agents, employees, affiliates, managers, members, contractors or representatives, or the material breach of this Lease by Landlord;

(xxv) All excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes and assessments to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Building), or any taxes to the extent paid by Tenant directly to the taxing authority;

(xxvi) Ground rental;

(xxvii) Costs Incurred to comply with applicable laws, or to otherwise remove or remediate, with respect to Hazardous Materials (as defined in Section 20.20 below); or

(xxviii) All assessments and premiums which are not specifically charged to Tenant because of what Tenant has done, which can be paid by Landlord in installments if commercially reasonable, shall be paid by Landlord in the maximum number of installments permitted by law (or permitted without penalty or added cost or premium) and shall be included as Operating Expenses in the year in which the assessment or premium installment is actually paid.

(d) "Tenant's Share" means 9.08% (based on a total Usable Area of the Building of approximately 221,981 square feet as of the date of this Lease).

Section 4.2 Calculation of Tenant's Share of Increases in Operating Expenses. If, commencing with the calendar year 2012, the Operating Expenses for any calendar year during the Term, or portion thereof, (including the last calendar year of the Term), have increased over the Operating Expenses for the calendar year 2011 (the "Base Year"), then within thirty (30) days after Tenant's receipt of Landlord's computation of such increase (an "Escalation Statement"), Tenant shall pay to Landlord, as Additional Rent, an amount equal to the product obtained by multiplying such increase by Tenant's Share. Landlord shall use commercially reasonable efforts to deliver the Escalation Statement in or prior to the third calendar quarter of each calendar year during the Term. Tenant shall have no obligation to pay Operating Expenses for the period beginning on the Rent Commencement Date and continuing for twelve months thereafter.

Notwithstanding any provision of this Lease to the contrary, the increase in total Operating Expenses (excluding from any limits imposed under this grammatical paragraph (i) all utilities of any kind, (ii) insurance premiums and costs of any kind, (iii) all general and special real estate taxes, increases in assessments or special assessments and any other ad valorem taxes, rates, levies and assessments and (iv) any labor costs, such as but not limited to janitorial or security services, that are subject to a collective bargaining agreement (or over which Landlord has no reasonable control), none of which shall be subject to a cap ("Uncontrollable Expenses")), shall be limited to [***] on a cumulative basis per calendar year (the "Expense Cap"). If the amount of Operating Expenses (excluding the Uncontrollable Expenses), for any single calendar year exceeds the Expense Cap, Landlord may accrue the difference between the Expense Cap and the actual percentage increase for that calendar year, and add said difference to the Operating Expenses for the following calendar year, subject to the maximum [***] cap (when including the addition of such difference) during such year.

Landlord may, at or after the start of any calendar year subsequent to the Base Year, notify Tenant of the amount which Landlord reasonably estimates will be Tenant's monthly share of any such increase in Operating Expenses for such calendar year over the Base Year and the amount thereof shall be added to the Fixed Monthly Rent payments required to be made by Tenant in such year. If Tenant's Share of any such increase in rent payable hereunder as shown on the Escalation Statement is greater or less than the total amounts actually billed to and paid by Tenant during the year covered by such statement, then within thirty (30) days thereafter, Tenant shall pay in cash any sums owed Landlord or, if applicable, Tenant shall either receive a credit against any Fixed Monthly Rent and/or Additional Rent next accruing for any sum owed Tenant, or if Landlord's Escalation Statement is rendered after the expiration or earlier termination of this Lease and indicates that Tenant's estimated payments have exceeded the total amount to which Tenant was obligated, then provided that Landlord is not owed any other sum by Tenant, Landlord shall issue a cash refund to Tenant within thirty (30) days after Landlord's completion of such Escalation Statement.

Section 4.2.1. In the event Tenant disputes the amount of Additional Rent set forth in the Escalation Statement, then Tenant may, within two hundred ten (210) days after Tenant receives the subject Escalation Statement, engage an independent certified public accountant (which accountant shall not be working on the audit hereunder on a contingency fee basis) (the "Audit Accountant"), designated and paid for by Tenant (subject to the terms of this Section 4.2.1 below), to inspect Landlord's records with respect to such Escalation Statement at the offices of Landlord where such records are customarily maintained or at such other location reasonably selected by Landlord provided that:

(a) Tenant is not then in default under this Lease beyond all applicable notice and cure periods;

(b) Tenant provides Landlord with written notice of the dispute, which notice shall state with reasonable particularity the basis for the dispute, the amount at issue and identifying the accountant engaged or to be engaged by Tenant;

(c) Tenant has paid all amounts that are required to be paid under the applicable Escalation Statement;

(d) Such inspection is conducted during normal business hours (with such inspection to be completed within a commercially reasonable period of time) at time(s) reasonably designated by Landlord;

(e) Tenant and Tenant's agents shall, in a writing delivered to Landlord, agree in advance of such inspection to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records (including, without limitation, no photocopying);

(f) Prior to any inspection of Landlord's records, Tenant and Tenant's agents execute a commercially reasonable confidentiality agreement regarding such inspection and deliver an original of the same to Landlord; and

(g) Tenant's failure to provide written notice to Landlord in accordance with clause b), above, within two hundred ten (210) days after Tenant's receipt of the applicable Escalation Statement shall be deemed to be Tenant's approval of such statement and, in case of such failure, Tenant, after the expiration of such two hundred ten (210)-day period, shall have waived its right to dispute the amounts set forth in such statement.

If, after such inspection, if any, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "Accountant") selected by Landlord and subject to Tenant's reasonable approval; provided that if such determination by the Accountant proves that the Operating Expenses (for the Building as a whole) were overstated in the applicable Escalation Statement by more than five percent (5%), then the fees and expenses of the Audit Accountant, the Accountant and all other costs of such determination shall be paid for by Landlord. However, if the Operating Expenses (for the Building as a whole) were overstated in the applicable Escalation Statement by five percent (5%) or less, or was in fact understated, the Tenant shall promptly pay the fees and expenses of the Accountant and all other costs of such determination (including, without limitation, the amount of Operating Expenses owed to Landlord as evidenced by the inspection). Any reconciliation of charges set forth in the Escalation Statement, which is necessitated by the inspection, shall be paid or credited by Tenant or Landlord, as applicable, in accordance with this Section 4.2.1. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Operating Expenses payable by Tenant shall be as set forth in this Section 4.2.1 and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Operating Expenses payable by Tenant.

Section 4.3 Tenant's Payment of Direct Charges as Additional Rent. Any other cost, expense, charge, amount or sum (other than Fixed Monthly Rent and the Security Deposit) payable by Tenant as provided in this Lease shall also be considered Additional Rent.

ARTICLE 5
ETHICS

Section 5.1 Ethics. Landlord and Tenant agree to conduct their business or practice in compliance with any appropriate and applicable codes of professional or business practice.

ARTICLE 6
USE OF PREMISES

Section 6.1 Use. The Premises shall only be used for general office use consistent with the operation of a first-class office building in the Woodland Hills area (the "Specified Use") and for no other purposes, without Landlord's prior written consent, which consent shall be in Landlord's sole discretion. Any proposed revision of the Specified Use by Tenant shall be for a use consistent with those customarily found in first-class office buildings. Reasonable grounds for Landlord withholding its consent shall include, but not be limited to:

(a) the proposed use will place a disproportionate burden on the Building systems;

(b) the proposed use is for governmental or medical purposes or for a company whose primary business is that of conducting boiler-room type transactions or sales;

(c) the proposed use would generate excessive foot traffic to the Premises and/or Building.

So long as Tenant is in control of the Premises, Tenant covenants and agrees that it shall not use, suffer or permit any person(s) to use all or any portion of the Premises for any purpose in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the City or County of Los Angeles, or other lawful authorities having jurisdiction over the Building.

Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or unreasonably interfere with the rights of other tenants or occupants of the Building, or injure or unreasonably annoy them. Tenant shall not use or allow the Premises to be used for any pornographic or violent purposes, nor shall Tenant cause, commit, maintain or permit the continuance of any unreasonable nuisance or waste in, on or about the Premises. Tenant shall not use the Premises in any manner that in Landlord's reasonable judgment would materially and adversely unreasonably affect or interfere with any services Landlord is required to furnish to Tenant or to any other tenant or occupant of the Building, or that would interfere with or obstruct the proper and economical rendition of any such service.

Section 6.2 Exclusive Use. Landlord represents that Tenant's Specified Use of the Premises does not conflict with exclusive use provisions granted by Landlord in other leases for the Building. Landlord further agrees that it shall, in the future, not grant an exclusive use privilege to any other tenant in the Building that will prevent Tenant from continuing to use the Premises for its Specified Use.

Tenant acknowledges and agrees that it shall not engage in any of the uses specified hereinbelow, for which Landlord has already granted exclusive rights: None.

Provided that Tenant has received written notice of the same from Landlord, and further provided that Landlord does not grant a future exclusive use right that prohibits Tenant from engaging in the Specified Use, then Tenant agrees that it shall not violate any exclusive use provision(s) granted by Landlord to other tenants in the Building.

Section 6.3 Rules and Regulations. Tenant shall observe and comply with the rules and regulations set forth in Exhibit C, and such other and further reasonable and non-discriminatory rules and regulations as Landlord may make or adopt and communicate to Tenant in writing at any time or from time to time, when said rules, in the reasonable judgment of Landlord, may be necessary or desirable to ensure the first-class operation, maintenance, reputation or appearance of the Building. However, if any conflict arises between the provisions of this Lease and any such rule or regulation, the provisions of this Lease shall control.

Provided Landlord makes commercially reasonable efforts to seek compliance by all occupants of the Building with the rules and regulations adopted by Landlord, Landlord shall not be responsible to Tenant for the failure of any other tenants or occupants of the Building to comply with said rules and regulations.

ARTICLE 7
CONDITION UPON VACATING & REMOVAL OF PROPERTY

Section 7.1 Condition upon Vacating. At the expiration or earlier termination of this Lease, Tenant shall:

(a) terminate its occupancy of, quit and surrender to Landlord, all or such portion of the Premises upon which this Lease has so terminated, broom-clean and in the same condition as received except for:

(i) ordinary wear and tear, or

(ii) loss or damage by fire or other casualty, and any other loss or damage resulting from Landlord's material breach of this Lease; and

(b) surrender the Premises free of any and all debris and trash and any of Tenant's personal property, furniture, fixtures and equipment that do not otherwise become a part of the Real Property, pursuant to the provisions contained in Section 7.2 hereinbelow; and

(c) at Tenant's sole expense, forthwith and with all due diligence remove any of the initial Improvements installed pursuant to Exhibit B attached hereto and any Tenant Change (as defined in Section 12.12 of this Lease), repair any damage caused thereby and restore the affected area to the condition existing at the time of installation (reasonable wear and tear and casualty damage excepted) but only in the event the subject portion of the initial Improvements or Tenant Change is not a general office improvement and is an over-standard improvement of the type that owners of Comparable Buildings would require to be removed at the expiration or earlier termination of leases (such as but not limited to vaults, chandeliers, interior staircases, mechanical units, security devices, low voltage cabling, specialty doors and locks, audio/visual equipment, floor cores, telephone racks, floor anchors, raised flooring, and supplemental air conditioning systems serving the Premises) and (i) such removal was requested by Landlord (in Landlord's sole and absolute discretion) at the time the plans for such Improvements or Tenant Change are reviewed by Landlord or (ii) the subject Improvement or Tenant Change was made without Landlord's approval (if approval was required under the terms of this Lease). If Tenant fails to complete such removal and/or restoration and/or to repair any damage caused by the removal or restoration of any of the initial Tenant Improvements or Tenant Change (provided Tenant is required to do so by the express terms of this Lease), Landlord may do so and may charge the cost thereof to Tenant or deduct the cost from the Security Deposit under Section 3.7 of this Lease.

If a Tenant Change does not require Landlord's prior consent under Section 12.12 of this Lease, Tenant shall request that Landlord review the plans for such Tenant Change solely to determine whether Landlord will require removal, repair and restoration under this Section 7.1 (c). Landlord shall respond to such notice within ten (10) business days after receipt or shall be deemed to have waived its right to request removal, repair and restoration. Tenant shall remove any (1) data, telecom and other cabling and wiring installed by or for Tenant in the Premises (including any of the same installed above the ceiling plenum), and (2) security system or devices installed by Tenant, in either case whether or not the installation was performed as part of the initial Improvements constructed in the Premises or after such time, and Tenant shall repair any damage caused by such removal.

Section 7.2 Tenant's Property. All fixtures, equipment, improvements and installations attached or built into the Premises at any time during the Term (other than Tenant's personal property, equipment and trade fixtures) shall, at the expiration or earlier termination of this Lease, be deemed the property of Landlord; become a permanent part of the Premises and remain therein. However, provided after such removal Tenant restores the Premises to the condition existing prior to installation of Tenant's trade fixtures, personal property or equipment, Tenant shall be permitted, at Tenant's sole expense, to remove said trade fixtures, personal property and equipment.

The provisions of this Article 7 shall survive the expiration or earlier termination of this Lease.

ARTICLE 8
UTILITIES AND SERVICES

Section 8.1 Normal Building Hours / Holidays. The "Normal Business Hours" of the Building, during which Landlord shall furnish the services specified in this Article 8 are defined as 8:00 A.M. to 6:00 P.M., Monday through Friday, and 9:00 A.M. to 1:00 P.M. on Saturday, any one or more Holiday(s) excepted.

The "Holidays" which shall be observed by Landlord in the Building are defined as: New Years Day, Presidents' Day, Memorial Day, the 4th of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day (each individually a "Holiday"). Tenant acknowledges that the Building shall be closed on each and every such Holiday, and Tenant shall not be guaranteed access to Landlord or Landlord's managing agent(s) on each such Holiday, but shall still have access to the Building, Premises and parking areas.

Section 8.2 Access to the Building and General Services. Subject to Force Majeure and any power outage(s) which may occur in the Building when the same are out of Landlord's reasonable control, Landlord shall furnish the following services to the Premises twenty-four (24) hours per day, seven days per week:

(a) during Normal Business Hours, bulb replacement for building standard lights;

(b) access to and use of the parking facilities for persons holding valid parking permits;

(c) access to and use of the elevators and Premises;

(d) use of electrical lighting on an as-needed basis within the Premises; and

(e) use of a reasonable level of water for kitchen and toilet facilities in the Premises and Common Area bathrooms.

Section 8.3 Janitorial Services. Landlord shall furnish the Premises with reasonable and customary janitorial services five (5) days per business week, after Normal Business Hours except when the Building is closed on any Holiday. Landlord shall retain the sole discretion to choose and/or revise the janitorial company providing said services to the Premises and/or Building. Landlord's janitorial services as provided as of the date of this Lease are set forth on Exhibit I attached hereto, which specifications may be revised during the Term as long as the janitorial services provided to the Premises and Building are comparable to the services provided to Comparable Buildings. Any janitorial service engaged by Landlord shall perform background checks on any personnel that will access Tenant's Premises.

Section 8.4 Security Services. Tenant acknowledges that Landlord currently provides uniformed guard service to the Building from 7:00 a.m. to 11:00 p.m., Sunday through Saturday (including Holidays) solely for the purposes of providing surveillance of, and information and directional assistance to persons entering the Building. The Building is accessible only with an access key card after Normal Business Hours.

Tenant acknowledges that such guard service shall not provide any measure of security or safety to the Building or the Premises, and that Tenant shall take such actions as it may deem necessary and reasonable to ensure the safety and security of Tenant's property or person or the property or persons of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders. Tenant agrees and acknowledges that, except in the case of the negligence or willful misconduct of Landlord or its directors, employees, officers, partners or shareholders, Landlord shall not be liable to Tenant in any manner whatsoever arising out of the failure of Landlord's guard service to secure any person or property from harm.

Tenant agrees and acknowledges that Landlord, in Landlord's sole discretion, shall have the option, but not the obligation to add, decrease, revise the hours of and/or change the level of services being provided by any guard company serving the Building. Tenant further agrees that Tenant shall not engage or hire any outside guard or security company without Landlord's prior written consent, which shall be in Landlord's sole discretion. In any event, Landlord shall provide security at a level commensurate with that provided at the Comparable Buildings and any security service engaged by Landlord shall perform background checks on any security personnel that will have access to Tenant's Premises.

Tenant, at its sole cost and expense, shall have the right to install a Building standard Premises keycard security access system, subject to Landlord's prior review and reasonable approval of all specifications for the same, and which security system: (i) shall be located within the Premises, (ii) is compatible with Landlord's security system, (iii) is independent of and which does not adversely affect, Landlord's security system, and shall provide for Landlord to have at Tenant's sole expense, a "key-override" on the Building's master key system access and any other reasonable access required to the Premises (e.g. during emergencies and for janitorial service but, otherwise, only upon reasonable prior notice to Tenant), and (iv) which does not create a "Design Problem," as that term is defined herein. A "Design Problem" is a component of the system that (a) would have an adverse affect on the Building or Building Systems (b) does not comply with applicable law (c) interferes unreasonably with another occupant's normal and customary business or (d) affects (other than permitted signage) the exterior appearance of the Building. Further, on or before the expiration or earlier termination of the Lease, Tenant at its sole expense shall remove Tenant's security system together with all service wiring, cabling and related devices and shall repair any damage caused by such removal, and restore the Premises to the condition existing prior to installation of Tenant's Security System.

Section 8.5 Utilities. During Normal Business Hours Landlord shall furnish a reasonable level of water, heat, ventilation and air conditioning ("HVAC"), and a sufficient amount of electric current to provide customary business lighting and to operate ordinary office business machines, such as a single personal computer and ancillary printer per [***] rentable square feet contained in the Premises, facsimile machines, small copiers customarily used for general office purposes, and such other equipment and office machines as do not result in above-standard use of the existing electrical system. So long as the same remain reasonably cost competitive, Landlord shall retain the sole discretion to choose the utility vendor(s) to supply such services to the Premises and the Building.

As part of Operating Expenses, Landlord shall provide the Premises with electrical capacity for normal office lighting and equipment, which shall be no less than 5.5 watts per square foot of Rentable Area, on a demand load basis, over a one year period, averaged twenty four (24) hours per day, seven (7) days per week. Subject to the preceding sentence, Tenant shall not use in the Premises any above-standard equipment that, in the aggregate with Tenant's other electrical equipment in the Premises, consumes unreasonably above-standard levels of electricity or otherwise overloads the Building's electrical systems or reasonably creates any safety hazards. Except with the prior written consent of Landlord, Tenant shall not connect any electrical equipment to the electrical system of the Building, except through electrical outlets already existing in the Premises, nor shall Tenant pierce, revise, delete or add to the electrical, plumbing, mechanical or HVAC systems in the Premises.

Section 8.6 After Hours HVAC and/or Excess Utility Usage. If Tenant requires HVAC service during other than Normal Business Hours ("Excess HVAC"), Tenant shall make its request during Normal Business Hours via Landlord's commercially reasonable system, which is currently administered by providing Excess HVAC access cards to the Tenant each with a user name and pass code, which users may call into a phone center which will prompt the caller to program their access to Excess HVAC. There shall be a one (1)-hour minimum charge for Excess HVAC when such Excess HVAC is ordered. Tenant's request shall be deemed conclusive evidence of its willingness to pay Landlord's reasonable costs of Excess HVAC, as determined by Landlord, in Landlord's reasonable discretion, and shall be subject to increases based on actual increases in Landlord's cost to provide Excess HVAC. As of the date of this Lease, Landlord's cost for the twelfth (12th) floor Excess HVAC (and the after-hours charge to Tenant for Excess HVAC) is $[***] per hour.

Except with respect to Excess HVAC, if Tenant requires electric current in excess of the amounts specified hereinabove, water or gas in excess of that customarily furnished to the Premises as office space ("Excess Utility Use"), Tenant shall first procure Landlord's prior written consent to such Excess Utility Use, which Landlord may reasonably refuse.

In lieu of Landlord's refusal, Landlord may cause a meter or sub-meter to be installed to measure the amount of excess water, gas and/or electric current consumed by Tenant in the Premises. The reasonable cost of any such meter(s), and the installation, maintenance, and repair thereof, shall be paid by Tenant as Additional Rent.

After completing installation of said meter(s), and/or if Tenant requests Excess HVAC, then Tenant shall pay, as Additional Rent, within thirty (30) calendar days after Tenant's receipt of Landlord's billing, for the actual amounts of all water, steam, compressed air, electric current and/or Excess HVAC consumed in excess of the normal levels Landlord is required herein to provide. Said billing shall be calculated on the usage indicated by such meter(s), sub-meter(s), or Tenant's written request therefor, and shall be issued by Landlord at the rates charged for such services by the local public utility furnishing the same, plus any additional expense reasonably incurred by Landlord in providing said Excess Utility Use and/or in keeping account of the water, steam, compressed air and electric current so consumed.

Section 8.6.1. Supplemental HVAC. Tenant may install one or more separate HVAC units (the "Supplemental HVAC") in the Premises at Tenant's sole cost and expense, subject to Landlord's prior written approval of the plans and specifications (including, without limitation, the location of the Supplemental HVAC), which approval shall not be unreasonably withheld, conditioned or delayed; such approval by Landlord shall be deemed granted unless Landlord provides a reasonable disapproval or approval to Tenant prior to the sixth (6th) business day after Landlord's receipt of such plan and specifications. Tenant shall pay for all costs of the use, maintenance, repair and (if necessary, as determined by Tenant, in Tenant's sole and absolute discretion) the replacement of the Supplemental HVAC and any and all other costs of the Supplemental HVAC. Landlord shall not be responsible or liable in any way for the Supplemental HVAC, including for any failures of the Supplemental HVAC, except and to the extent caused by an act of negligence or willful misconduct by Landlord or any of the Landlord Parties. Landlord makes no representation or warranty regarding the Supplemental HVAC and whether it will perform in accordance with Tenant's requirements. Without limiting the definition of an Abatement Event or Tenant's rights with respect thereto, in no event shall any failure or deficiency in the Supplemental HVAC entitle Tenant to any offset or abatement of Rent and shall not be an "Abatement Event" under this Lease. Prior to any use of any Supplemental HVAC, Landlord may, in its sole discretion, cause a meter or sub-meter to be installed in accordance with Landlord's reasonable guidelines for the same to measure the amount of electric current consumed by the Supplemental HVAC. Tenant shall pay any and all reasonable, out-of-pocket costs of the meter or submeter and the installation of the same within thirty (30) days demand by Landlord. Tenant shall pay the actual amount of the electrical current, calculated on the usage of said meter and based solely upon the applicable utility provider's actual charges, with such charges due within thirty (30) days after Tenant receives Landlord's invoice

therefore, together with reasonably detailed supporting documentation, including, without limitation, from the applicable utility provider. The meter or submeter shall be read monthly by the Landlord's Building management and billed directly to Tenant. Tenant shall enter into a maintenance contract covering the Supplemental HVAC with a vendor reasonably acceptable to Landlord and approved by Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall cause the Supplemental HVAC to be in good working order and repair at all times and to be in compliance with applicable law at all times. Tenant shall cause such vendor to perform preventative maintenance on the Supplemental HVAC on a commercially reasonable basis. Tenant will provide Landlord with a true, complete and correct copy of such maintenance contract. Tenant's operation and maintenance of the Supplemental HVAC shall not unreasonably interfere with the quiet enjoyment of other tenants and occupants in the Building or the Project. Upon the expiration or earlier termination of the Term of this Lease, Tenant shall, at Tenant's sole expense, remove the Supplemental HVAC (and any cables or other ancillary equipment connected thereto) from the Premises and restore the affected areas to the condition existing as of the date of installation by Tenant in the Premises (reasonable wear and tear and casualty damage, and damage caused by Landlord or any of the Landlord Parties, excepted), all at Tenant's sole cost and expense. Tenant shall repair any damage caused by such repair and restoration, at Tenant's sole cost and expense. Any amounts to be paid to Landlord under this Section 8.6.1 shall be deemed Additional Rent under this Lease.

Section 8.7 Changes Affecting HVAC. Tenant shall also pay as Additional Rent for any additional costs Landlord incurs to repair any failure of the HVAC equipment and systems to perform their function when said failure arises out of or in connection with any change in, or alterations to, the arrangement of partitioning in the Premises after the Commencement Date, or from occupancy by, on average, more than [***] people for every one thousand (1,000) square feet of Usable Area in the Premises, or from Tenant's failure to keep all HVAC vents within the Premises free of obstruction.

Section 8.8 Damaged or Defective Systems. Tenant shall give written notice to Landlord after Tenant becomes aware of any alleged damage to, or defective condition in any part or appurtenance of the Building's sanitary, electrical, HVAC or other systems serving, located in, or passing through, the Premises. Provided that the repair or remedy of said damage or defective condition is within the reasonable control of Landlord, it shall be remedied by Landlord with reasonable diligence. Otherwise, Landlord shall make such commercially reasonable efforts as may be available to Landlord to effect such remedy or repair, but except in the case of Landlord's negligence and/or willful misconduct or the negligence and/or willful misconduct of Landlord's agents, contractors, directors, employees, officers, partners, and/or shareholders, or the material breach of this Lease by Landlord, Landlord shall not be liable to Tenant for any failure thereof.

Tenant shall not be entitled to claim any damages arising from any such damage or defective condition nor shall Tenant be entitled to claim any eviction by reason of any such damage or defective condition unless:

(a) the same was caused by Landlord's (or its contractors', agents', employees', managers' or representatives') negligence or willful misconduct or Landlord's material breach of this Lease;

(b) the damage or defective condition has substantially prevented Tenant from conducting its normal business operations or obtaining access to at least fifty percent (50%) of the Premises or Tenant's parking spaces; and

(c) Landlord shall have failed to commence the remedy thereof and proceeded with reasonable diligence to complete the same after Landlord's receipt of notice thereof from Tenant.

Furthermore, if such damage or defective condition was caused by, or is attributed to, a Tenant Change not consented to by Landlord or the unreasonable or improper use of such system(s) by Tenant or its employees, licensees or invitees:

(d) the cost of the remedy thereof shall be paid by Tenant as Additional Rent pursuant to the provisions of Section 4.3;

(e) in no event shall Tenant be entitled to any abatement of rent as specified in Section 8.9 below; and

(f) Tenant shall be estopped from making any claim for damages arising out of Landlord's repair thereof.

Section 8.9 Limitation on Landlord's Liability for Failure to Provide Utilities and/or Services. Except in the case of Landlord's negligence or willful misconduct or the negligence or willful misconduct of Landlord's agents, contractors, members, invitees, representatives, lenders, directors, employees, licensees, officers, partners or shareholders, Tenant hereby releases Landlord from any liability for damages, by abatement of rent or otherwise, for any failure or delay in furnishing any of the services or utilities specified in this Article 8 (including, but not limited to telephone and telecommunication services), or for any diminution in the quality or quantity thereof.

Subject to Tenant's rights and remedies under this Lease, and provided the same is not caused by the negligence or willful misconduct or breach of this Lease by Landlord or any of the Landlord Parties, Tenant's release of Landlord's liability shall be applicable when such failure, delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by Landlord's inability to secure electricity, gas, water or other fuel at the Building after Landlord's reasonable effort to do so, by accident or casualty whatsoever, by act or default of Tenant or parties other than Landlord, or by any other cause beyond Landlord's reasonable control. Subject to Tenant's rights and remedies under this Lease, and provided the same is not caused by the negligence or willful misconduct or breach of this Lease by Landlord or any of the Landlord Parties, Tenant's, such failures, delays or diminution shall never be deemed to constitute a constructive eviction or disturbance of Tenant's use and possession of the Premises, or serve to relieve Tenant from paying Rent or performing any of its obligations under this Lease.

Furthermore, Landlord shall not be liable under any circumstances for a loss of, injury to, or interference with, Tenant's business, including, without limitation, any loss of profits occurring or arising through or in connection with or incidental to Landlord's failure to furnish any of the services or utilities required by this Article 8.

Notwithstanding the above, Landlord shall use commercially reasonable efforts to remedy any delay, defect or insufficiency in providing the services and or utilities required hereunder.

Notwithstanding the foregoing, if Tenant is prevented from using and does not use, the Premises or any portion thereof, as a result of Landlord's failure to provide repairs, maintenance, services or utilities as required by this Lease (an "Abatement Event"), then Tenant may give Landlord notice of such Abatement Event and if such Abatement Event continues for five (5) consecutive business days after

Landlord's receipt of any such Notice (the "Eligibility Period"), and such failure is not attributable to, or caused by, the acts of Tenant, then the Fixed Monthly Rent and Additional Rent shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises, or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use ("Unusable Area"), bears to the total rentable area of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, the Unusable Area for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Fixed Monthly Rent and Additional Rent for the entire Premises shall be abated for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of

the Premises during such period and effectively conducts its business therein, the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises and effectively conducts its business therein. Such right to abate Fixed Monthly Rent and Additional Rent shall be Tenant's sole and exclusive monetary remedy at law or in equity for an Abatement Event. Notwithstanding the foregoing, if any additional Abatement Events (after the occurrence of a first Abatement Event) occur in any [***]month period, the Eligibility Period for any such subsequent Abatement Event shall commence on the [***] day of the Abatement Event, and, in the event of any such additional Abatement Event, regardless of when occurring, lasting for more than [***] consecutive days and covers substantially the entire Premises, then Tenant may, in its sole and absolute discretion, terminate this Lease, without penalty.

Section 8.10 Tenant Provided Services. Tenant shall make no contract or employ any labor for the maintenance, cleaning or other servicing of the structural portions of the Premises (collectively and individually a "Tenant Service") without the prior consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall not permit the use of any labor, material or equipment in the performance of any Tenant Service if the use thereof, in Landlord's reasonable judgment, would unreasonably disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of any Tenant Service, improvements, fixtures and/or equipment in, on, upon or about the Premises.

ARTICLE 9
TENANT'S INDEMNIFICATION AND LIMITATION ON LANDLORD'S LIABILITY

Section 9.1 Tenant's Indemnification and Hold Harmless. For the purposes of this Section 9.1, "Indemnitee(s)" shall jointly and severally refer to Landlord and Landlord's agents, clients, directors, employees, officers, members, partners, and/or shareholders.

Tenant shall indemnify and hold Indemnitees harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including reasonable attorneys fees and costs incurred in the defense thereof) to which any Indemnitee may be subject or suffer when the same arise out of the negligence or willful misconduct of Tenant or the negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises, including any actions relating to the installation, placement, removal or financing of any Tenant Change, improvements, fixtures and/or equipment in, on, upon or about the Premises.

Tenant's indemnification shall extend to any and all claims and occurrences, whether for injury to or death of any person or persons, or for damage to property, or otherwise, occurring during the Term or prior to the Commencement Date and to all claims arising from any condition of the Premises due to or resulting from any default by Tenant in the keeping, observance or performance of any covenant or provision of this Lease, or from the negligence or willful misconduct of Tenant or the negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders.

Section 9.2 Nullity of Tenant's Indemnification in Event of Negligence. Notwithstanding anything to the contrary contained in this Lease, Tenant's indemnification shall not extend to the negligence or willful misconduct of Landlord or the negligence or willful misconduct of Landlord's agents, contractors, clients, directors, employees, officers, members, representatives, partners or shareholders, nor to such events and occurrences for which Landlord otherwise carries insurance coverage or for which Landlord is required to carry insurance under this Lease, or the material breach of this Lease by Landlord.

Section 9.3 Tenant's Waiver of Liability. Provided and to the extent that any injury or damage suffered by Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, officers, partners, and/or shareholders did not arise out of the breach of this Lease or negligence or willful misconduct of Landlord or the negligence or willful misconduct of Landlord's agents, contractors, employees, officers, partners or shareholders, Tenant shall make no claim against Landlord and Landlord shall not be liable or responsible in any way for, and Tenant hereby waives all claims against Landlord with respect to or arising out of injury or damage to any person or property in or about the Premises by or from any cause whatsoever under the reasonable control or management of Tenant.

Section 9.4 Limitation of Landlord's Liability. Tenant expressly agrees that, notwithstanding anything in this Lease and/or any applicable law to the contrary, the liability of Landlord and Landlord's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any successor in interest thereto (collectively and individually the "Landlord Parties"), and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building, including, without limitation, all rents, profits, income, insurance, and condemnation proceeds.

Tenant specifically agrees that the Landlord Parties (not including Landlord) shall not have any personal liability therefor. Further, Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Landlord specifically agrees that none of the Tenant Parties (as hereinafter defined but not including Tenant) shall have any personal liability. "Tenant Parties" shall mean Tenant's agents, affiliates, lenders, directors, employees, licensees, officers, partners or shareholders, including any successor in interest thereto. Further, Landlord hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Landlord.

Section 9.5 Transfer of Landlord's Liability. Tenant expressly agrees that, to the extent that any transferee assumes the obligations of Landlord hereunder in writing, and provided Landlord has either transferred the complete Security Deposit and Letter of Credit held pursuant to this Lease or refunded the same to Tenant as of the date of such transfer, then the covenants and agreements on the part of Landlord to be performed under this Lease which arise and/or accrue after the date of such transfer shall not be binding upon Landlord herein named from and after the date of transfer of its interest in the Building.

Section 9.6 Landlord's Indemnification. Notwithstanding any contrary provision of this Lease, Landlord shall indemnify, and hold Tenant and Tenant's agents, clients, directors, officers, partners, employees, shareholders, representatives, lenders, members, affiliates and contractors harmless from and against, any and all claims, causes of action, liabilities, losses, reasonable costs and expenses, including reasonable attorney's fees and court costs, arising from or in connection with:

(a) Any activity occurring, or condition existing, at or in the Building and/or the Real Property (other than in the Premises) when such activity or condition is under the reasonable control of Landlord, except and to the extent the same is caused by the negligence or willful misconduct of Tenant or Tenant's employees, agents, licensee, invitees, or contractors, or by Tenant's breach or default in the performance of any obligation under this Lease;

(b) Any activity occurring, or condition existing in the Premises when and to the extent caused by the negligence or willful misconduct of Landlord or Landlord's employees, agents or contractors; or

(c) Any material breach by Landlord of any of Landlord's obligations under this Lease that extend after the expiration of any notice and cure period.

This Section 9.6 shall survive the expiration or termination of this Lease.

ARTICLE 10
COMPLIANCE WITH LAWS

Section 10.1 Tenant's Compliance with Laws. Tenant shall not use, permit to be used, or permit anything to be done in or about all or any portion of the Premises which will in any way violate any laws, statutes, ordinances, rules, orders or regulations duly issued by any governmental authority having jurisdiction over the Premises, or by the Board of Fire Underwriters (or any successor thereto) (collectively "Codes").

Section 10.2 Tenant to Comply at Sole Expense. Tenant shall, at its sole expense, promptly remedy any violation of such Codes. Notwithstanding the foregoing, nothing contained in this Article 10 shall require or permit Tenant to make any exterior, structural or systems changes to the Premises or Building, unless such changes are required due to either Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders particular use of the Premises for purposes other than general office purposes consistent with a Class A office building, in which case any such change in use shall be subject to the restrictions specified in Section 6.1 of this Lease.

Section 10.3 Landlord's Compliance With Law. Landlord shall comply with all laws applicable to Landlord and the Building.

ARTICLE 11
ASSIGNMENT AND SUBLETTING

Section 11.1 Permission Required for Assignment or Sublet. Unless Landlord's prior written consent has been given, which consent shall not be unreasonably withheld, conditioned and/or delayed (subject to the express provisions of this Article 11), this Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of law; nor shall Tenant:

(a) assign Tenant's interest in this Lease; or

(b) sublet the Premises or any part thereof or permit the Premises or any part thereof to be utilized by anyone other than Tenant, whether as by a concessionaire, franchisee, licensee, permittee or otherwise (collectively, a "sublease").

In addition, except for Transfers under clauses (a) or (b), Tenant shall not mortgage, pledge, encumber or otherwise transfer this Lease, the Term and/or estate hereby granted or any interest herein without Landlord's prior written consent, which consent may be granted or withheld in Landlord's reasonable discretion.

Any assignment, mortgage, pledge, encumbrance, transfer or sublease (collectively, any "Transfer") without Landlord's prior written consent as may be required under this Article 11 shall be void.

Section 11.2 Affiliated Companies/Restructuring of Business Organization. Any contrary provision of this Article 11 notwithstanding, the assignment by Tenant of all of its rights under this Lease or the subletting by Tenant of all or any portion of the Premises to (i) a parent or subsidiary of Tenant, (ii) any person or entity which controls, is controlled by or under common control with Tenant, (iii) any entity which purchases all or substantially all of the assets or stock of Tenant, (iv) any entity into which Tenant is merged or consolidated, (v) any entity which results from the merger or consolidation of entities which control, are controlled by or under common control with Tenant, or (vi) the temporary use or occupancy of portions of the Premises by a party or parties in connection with the transaction of

business with Tenant or with an entity which is controlled by, controls or is under common control with Tenant (all such persons or entities described in (i), (ii), (iii), (iv), (v) and (vi) being sometimes hereinafter referred to as "Affiliates") shall not be deemed a Transfer under this Article 11 and thus shall not be subject to Landlord's prior consent, and Landlord shall not be entitled to any Net Rental Profit resulting therefrom, and shall not have any rights or remedies under or with respect to Section 11.4(iii) below (and no other right of recapture) in connection therewith, provided that:

(a) Any such Affiliate was not formed as a subterfuge to avoid the obligations of this Article 11;

(b) Tenant gives Landlord prior notice of any such assignment or sublease to an Affiliate;

(c) The successor of Tenant or Tenant have as of the effective date of any such assignment or sublease a tangible net worth, in the aggregate, computed in accordance with generally accepted accounting principles, which is sufficient to meet the obligations of Tenant under this Lease;

(d) Any such assignment or sublease shall be subject and subordinate to all of the terms and provisions of this Lease, and such assignee shall be deemed to have assumed all of the obligations of Tenant under this Lease with respect to that portion of the Premises which is the subject of such Transfer; and

(e) Tenant and any guarantor shall remain fully liable for all obligations to be performed by Tenant under this Lease (based on the terms and conditions of this Lease existing at the time of the Transfer).

Section 11.3 Request to Assign or Sublease. If at any time during the Term, Tenant wishes to assign this Lease or any interest therein, or to sublet all or any portion of the Premises, then at least thirty (30) days prior to the date when Tenant desires the assignment or sublease to be effective, Tenant shall give written notice to Landlord setting forth the name, address, and business of the proposed assignee or sublessee, business credit applications completed on Landlord's commercially reasonable application forms, and information (including references and such financial documentation as Landlord shall reasonably prescribe) concerning the character and financial condition of the proposed assignee or sublessee, the effective date of the assignment or sublease, and all the material terms and conditions of the proposed assignment, and with reference solely to a sublease: a detailed description of the space proposed to be sublet, together with any rights of the proposed sublessee to use Tenant's improvements and/or ancillary services with the Premises.

Section 11.4 Landlord's Consent. In the case of an assignment and/or sublease requiring Landlord's consent under this Article 11, Landlord shall have thirty (30) days after Tenant's notice of assignment and/or sublease is received with the financial information reasonably requested by Landlord to advise Tenant of Landlord's (i) consent to such proposed assignment or sublease, (ii) reasonable withholding of consent to such proposed assignment or sublease (together with detailed reasons therefor), or (iii) election to terminate this Lease, such termination to be effective as of the date of the commencement of the proposed assignment or subletting. If Landlord shall exercise its termination right hereunder, Landlord shall have the right to enter into a lease or other occupancy agreement directly with the proposed assignee or subtenant, and Tenant shall have no right to any of the rents or other consideration payable by such proposed assignee or subtenant under such other lease or occupancy agreement, even if such rents and other consideration exceed the rent payable under this Lease by Tenant. Landlord shall have the right to lease the Premises to any other tenant, or not lease the Premises, in its sole and absolute discretion. Landlord and Tenant specifically agree that Landlord's right to terminate this Lease under clause (iii) above is a material consideration for Landlord's agreement to enter into this Lease and such right may be exercised in Landlord's sole and absolute discretion and no test of reasonableness shall be applicable thereto.

Tenant acknowledges that Landlord's consent shall be based upon the criteria listed in Sections 11.4 (a) through (e) below, and subject to Landlord's right to reasonably disapprove of any proposed assignment and/or sublease, based on the existence of any condition contained within Section 11.5 hereinbelow. If Landlord provides its consent within the time period specified, Tenant shall be free to complete the assignment and/or sublet such space to the party contained in Tenant's notice, subject to the following conditions:

(a) The assignment and/or sublease shall be on substantially the same terms as were set forth in the notice given to Landlord;

(b) The assignment and/or sublease shall be documented in a written format that is reasonably acceptable to Landlord, which form shall specifically include the assignee's and/or sublessee's acknowledgement and acceptance of the obligation contained in this Lease, in so far as applicable;

(c) The assignment and/or sublease shall not be valid, nor shall the assignee or sublessee take possession of the Premises, or subleased portion thereof, until an executed duplicate original of such sublease and/or assignment has been delivered to Landlord;

(d) The assignee and/or sublessee shall have no further right to assign this Lease and/or sublease the Premises without Landlord's consent, if and as required pursuant to the terms and conditions of this Article 11;

(e) In the event of any Transfer, Landlord shall receive as Additional Rent hereunder (and without affecting or reducing any other obligation of Tenant under this Lease) fifty percent (50%) of Tenant's "Net Rental Profit" derived from such Transfer, as and when paid to and received by Tenant. In the event of a Transfer which is a sublease, "Net Rental Profit" shall mean all rent, Additional Rent or other consideration actually payable (in lieu of or in addition to rent) by Transferee in connection with the Transfer in excess of the Rent and Additional Rent and any other consideration payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant in connection with such Transfer for (i) advertising costs, (ii) any improvement allowance or other economic concessions (e.g., free rent, space planning allowance and moving expenses) paid by Tenant in connection with such Transfer, (iii) any brokerage commissions incurred by Tenant in connection with the Transfer, and (iv) reasonable attorneys' fees incurred by Tenant in connection with the Transfer. In the event of a Transfer other than a sublease, "Net Rental Profit" shall mean key money, bonus money or other consideration paid by the Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to the Transferee for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the Transferee in connection with such Transfer, after deducting the reasonable expenses incurred by Tenant in connection with such Transfer, as described in the preceding sentence.

Section 11.5 Reasonable Grounds for Denial of Assignment and/or Sublease. Landlord and Tenant agree that, in addition to such other reasonable grounds as Landlord may assert for withholding its consent, it shall be reasonable under this Lease and any applicable law for Landlord to withhold its consent to any proposed Transfer, where any one or more of the following conditions exists:

(a) The proposed sublessee or assignee (a "Transferee") is, in Landlord's reasonable judgment, of a character or reputation which is not consistent with those businesses customarily found in a Class A office building;

(b) The Transferee is engaged in a business or intends to use all or any portion of the Premises for purposes which are not general office use and not consistent with those generally found in the Building or other Class A office buildings in the vicinity of the Building, provided, however, that in no event shall Landlord be permitted to decline Tenant's request for a Transfer solely on the basis of said Transferee's intent to change the Specified Use from that of Tenant, unless such proposed change shall violate any Exclusive Use provision already granted by Landlord;

(c) The Transferee is either a governmental agency or instrumentality thereof;

(d) The Transfer will result in more than a reasonable and safe number of occupants within the Premises;

(e) The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the sublease, if a sublessee, or this Lease, if an assignee, on the date consent is requested, or has demonstrated a prior history of credit instability or unworthiness;

(f) The Transfer will cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give another occupant of the Building a right to cancel its lease;

(g) Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee is engaged in bona fide ongoing negotiations with Landlord (which shall mean that Landlord has received a written proposal or counter-proposal for lease of the subject space) to lease comparable space (in size, quality and location) in the Building for a substantially similar term (and commencing at substantially the same time) at the time Tenant requests approval of the proposed Transfer; or

(h) The Transferee intends to use all or a portion of the Premises for medical procedures or for a primary business which is as a boiler-room type sales organization.

If Landlord withholds or conditions its consent and Tenant believes that Landlord did so contrary to the terms of this Lease, Tenant may exercise any remedy at law or in equity available to Tenant under applicable law, provided that Tenant hereby waives the remedy of termination of this Lease as a result of Landlord's denial of consent to a proposed assignment of this Lease hereunder, as set forth in California Civil Code Section 1995.310(b).

Section 11.6 Tenant's Continued Obligation. Any consent by Landlord to an assignment of this Lease and/or sublease of the Premises shall not release Tenant from any of Tenant's obligations hereunder or be deemed to be a consent by Landlord to any subsequent hypothecation, assignment, subletting, occupation or use by another person, and Tenant shall remain liable to pay the Rent and/or perform all other obligations to be performed by Tenant hereunder pursuant to the terms and conditions of this Lease existing as of the effective date of the Transfer. Landlord's acceptance of Rent or Additional Rent from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease. Landlord's consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

If any assignee or sublessee of Tenant or any successor of Tenant defaults in the performance of any of the provisions of this Lease, whether or not Landlord has collected Rent directly from said assignee or sublessee, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, sublessee or other successor-in-interest.

Provided that in no event shall any further assignment, sublease, amendment or modification to this Lease serve to either increase Tenant's liability or expand Tenant's duties or obligations hereunder, or relieve Tenant of its liability under this Lease, then Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with any assignee, without notifying Tenant or any successor of Tenant, and without obtaining their consent thereto.

Section 11.7 Tenant To Pay Landlord's Costs. If Tenant assigns or sublets the Premises and requests the consent of Landlord to any such assignment or subletting as may be required pursuant to Article 11 of this Lease, or if Tenant enters into a Financing as provided under Section 11.9 below, or if Tenant requests the consent of Landlord for any act that Tenant proposes to do which requires Landlord's consent pursuant to the terms and conditions of this Lease, whether or not Landlord shall grant consent thereto, then Tenant shall, within thirty (30) days after its receipt of Landlord's written request therefor, pay to Landlord (a) the nonrefundable sum of $1,000.00 as reasonable consideration for

Landlord's considering and processing the applicable request, plus (b) the amount of reasonable legal fees incurred by Landlord in connection therewith, not to exceed $500.00 except in the event Tenant requests unusually excessive modifications to Landlord's customary consent form documents (provided the same are commercially reasonable, and provided that similar changes are not generally requested by other comparable tenants), in which case such limit on attorney fees incurred shall be $3,000.00.

Section 11.8 Successors and Assigns. Subject to the provisions contained herein, the covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, their respective successors and assigns and all persons claiming by, through or under them.

Section 11.9 Equipment Financing; Subordination of Landlord's Lien. With respect to any financing transaction entered into by Tenant (a "Financing") pursuant to which the subject lender intends to obtain a security interest in all or portions of Tenant's furniture, fixtures and equipment in the Premises (the "Collateral"), Landlord agrees to reasonably cooperate with Tenant and its lender at no cost to Landlord and Landlord agrees to subordinate (but not waive) all of its interest, if any, in the Collateral, subject to the terms and conditions of Landlord's commercially reasonable form for such transaction. Tenant shall pay Landlord's reasonable costs as provided above in Section 11.7.

ARTICLE 12
MAINTENANCE, REPAIRS, DAMAGE, DESTRUCTION, RENOVATION AND/OR ALTERATION

Section 12.1 Tenant's Obligation to Maintain. Subject to Landlord's obligations under this Lease, and subject to casualty and condemnation, Tenant shall, at Tenant's sole expense, maintain the Premises in good order and repair, and shall also keep clean any portion of the Premises which Landlord is not obligated to clean. Such obligation shall include the clean-out; repair and/or replacement of Tenant's garbage disposal(s), Instant-Heat or other hot water producing equipment, if any, and the cleaning and removal of any dishes and/or food prior to the same becoming unsanitary.

Further, subject to Section 19.4 below, Tenant shall pay the cost of any injury, damage or breakage in, upon or to the Premises created by Tenant's negligence or willful misconduct or the negligence or willful misconduct of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders.

Subject to Tenant's obligation to pay its share of Operating Expenses pursuant and subject to the terms and conditions of this Lease, Landlord shall make any repairs in the Premises, and maintain and repair, in a first-class manner, in compliance with all applicable laws, codes, rules, regulations and ordinances, and in a manner consistent with that at the Comparable Buildings, the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building (including the structural portion and exterior walls of the of Premises) and all other structural portions of the Building (including the Premises), the systems and equipment of the Building (including the Building systems serving the Premises) and the Improvements installed in the Premises. However, if such repairs, maintenance or cleaning are required due to Tenant's negligence or willful misconduct or the negligence or willful misconduct of Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, then, Tenant shall, within thirty (30) days after receipt of Landlord's billing therefor, reimburse Landlord, as Additional Rent, for any expense of such repairs, cleaning and/or maintenance in excess of any insurance proceeds available for reimbursement thereof, subject to Section 19.4 below.

Notwithstanding any of the terms and conditions set forth in this Lease to the contrary, if Tenant provides written notice to Landlord of a "Self-Help Event" (as such term is defined below), which Self-Help Event materially and adversely affects the conduct of Tenant's business from the Premises, and Landlord fails to commence corrective action (or to commence any process required to commence corrective action (such as but not limited to, the ordering of materials required to commence corrective action) within a commercially reasonable period of time (provided that in the case of an emergency where Tenant's conduct of its business is materially and adversely affected, such time period shall

be twenty-four (24) hours after Landlord's receipt of notice) but in any event not later than thirty (30) days after receipt of such notice, then Tenant may proceed to take the required action upon delivery of an additional five (5) business days' notice specifying that Tenant is taking such required action (provided that such additional 5 business day period shall not apply in the event of an emergency). If such action was required under the terms and conditions of this Lease to be taken by Landlord and was not commenced by Landlord within such five (5) business day period and thereafter diligently pursued to completion (provided that no additional five (5) business days' notice shall be required in the case of an emergency where Tenant's conduct of its business is materially and adversely affected), then Tenant shall be entitled to perform such action as Tenant reasonably deems necessary, and shall be entitled to reimbursement by Landlord within thirty (30) days after Landlord's receipt of paid invoices (or at Landlord's election, in the form of an offset against Rent next due) of Tenant's reasonable costs and expenses in taking such action. In the event Tenant takes such action, Tenant shall use only those contractors used and approved by Landlord in the Building for work unless such contractors are unwilling or unable to perform at competitive market rates, or timely perform, such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in Comparable Buildings. Promptly following completion of any work taken by Tenant pursuant to the terms and conditions of this Section 12.1, Tenant shall deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. If Landlord does not deliver a detailed written objection to Tenant within thirty (30) days after receipt of an invoice from Tenant, then Tenant shall be entitled to deduct from Rent payable by Tenant under this Lease, the amount set forth in such invoice. If, however, Landlord delivers to Tenant, within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to the terms and conditions of this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not then be entitled to such deduction from Rent, but Tenant may proceed to claim a default by Landlord or, if elected by either Landlord or Tenant, the matter shall proceed to resolution by Arbitration to resolve the dispute in accordance with Section 20.17 of this Lease. If Tenant prevails in the arbitration, the amount of the award may be deducted by Tenant from the Rent next due and owing under this Lease. For purposes of this Section 19.1, a "Self-Help Event" shall mean an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance that is required within the Premises or with respect to systems and/or equipment which service the Premises (but only to the extent not involving entry into another occupant's premises or a material disruption in the Building Common Areas or Building Systems).

Except for Tenant's "Self-Help Right" Tenant hereby waives all right to make repairs at Landlord's expense under the provisions of Section 1932(1), 1941 and 1942 of the Civil Code of California.

Section 12.2 Repair Period Notice. Tenant shall give prompt notice to Landlord of Tenant's actual knowledge of any damage or destruction to all or any part of the Premises or Building resulting from or arising out of any fire, earthquake, or other casualty (individually or collectively a "Casualty"). The time periods specified in this Section 12.2 shall commence after Landlord receives said written notice from Tenant of the occurrence of a Casualty. After receipt of notice that a Casualty has occurred, Landlord shall, within the later of:

(a) thirty (30) days after the date on which Landlord determines the full extent of the damage caused by the Casualty, or

(b) thirty (30) days after Landlord has determined the extent of the insurance proceeds available to effectuate repairs, but

(c) in no event more than one hundred and twenty (120) days after the Casualty,

provide written notice to Tenant indicating the anticipated time period for repairing the Casualty (the "Repair Period Notice"). The Repair Period Notice shall also state, if applicable, Landlord's election either to repair the Premises, or to terminate this Lease, pursuant to the provisions of Section 12.3, and if Landlord elects to terminate this Lease under Section 12.3, Landlord shall use commercially reasonable efforts to provide Tenant with a minimum period of ninety (90) days within which to fully vacate the Premises.

Section 12.3 Landlord's Option to Terminate or Repair. Notwithstanding anything to the contrary contained herein, Landlord shall have the option, but not the obligation to elect not to rebuild or restore the Premises and/or the Building if one or more of the following conditions is present:

(a) repairs to the Premises cannot reasonably be completed within one hundred and eighty (180) days after the date of the Casualty (when such repairs are made without the payment of overtime or other premiums);

(b) repairs required cannot be made pursuant to the then-existing laws or regulations affecting the Premises or Building, or the Building cannot be restored except in a substantially different structural or architectural form than existed before the Casualty;

(c) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Real Property and/or the Building shall require that all or such large a portion of the insurance proceeds be used to retire the mortgage debt, so that the balance of insurance proceeds remaining available to Landlord for completion of repairs shall be insufficient to repair said damage or destruction;

(d) the holder of any mortgage on the Building or ground or underlying lessor with respect to the Real Property and/or the Building shall terminate the mortgage, ground or underlying lease, as the case may be;

(e) provided Landlord has carried the coverage Landlord is required to obtain under Section 19.1 of this Lease, the damage and is not fully covered, except for deductible amounts, by Landlord's insurance policies;

(f)more than thirty-three and one-third percent (33 1/3%) of the Building is damaged or destroyed, whether or not the Premises is affected, provided that Landlord elects to terminate all other leases for offices of a similar size in the Building.

If Landlord elects not to complete repairs to the Building or Premises, pursuant to this Section 12.3, Landlord's election to terminate this Lease shall be stated in the Repair Period Notice, in which event this Lease shall cease and terminate as of the reasonable date contained in Landlord's Repair Period Notice.

If one hundred percent of the Building is damaged or destroyed, as certified by an independent building inspector, this Lease shall automatically terminate after Landlord's or Tenant's receipt of written notice of such termination from the other, and without action beyond the giving of such notice being required by either Landlord or Tenant.

Upon any termination of this Lease pursuant to this Section 12.3, Tenant shall pay its prorata share of Fixed Monthly Rent and Additional Rent, properly apportioned up to the date of such termination, reduced by any abatement of Rent to which Tenant is entitled under Section 12.5; after which both Landlord and Tenant shall thereafter be freed and discharged of all further obligations under this Lease, except for those obligations which by their provisions specifically survive the expiration or earlier termination of the Term.

Section 12.4 Tenant's Option to Terminate. If:

(a) the Repair Period Notice provided by Landlord indicates that the anticipated period for repairing the Casualty exceeds one hundred and eighty (180) days after the Casualty (the "Repair Period"), or

(b) the Casualty to the Premises occurs during the last twelve (12) months of the Term;

then Tenant shall have the option, but not the obligation, to terminate this Lease by providing written notice ("Tenant's Termination Notice") to Landlord within thirty (30) days after receiving the Repair Period Notice in the case of 12.4 (a); or within thirty (30) days after it has notice of the Casualty, in the case of Section 12.4 (b). Furthermore, if:

(c) Landlord does not complete the repairs required hereinabove within the Repair Period, and

(d) further provided Landlord has not diligently commenced and continued to prosecute to completion repair of the damage and/or destruction caused by the Casualty, and

(e) Landlord has not completed the repairs thereafter on or before thirty (30) days after the expiration of the Repair Period,

then Tenant shall also have the option, but not the obligation, to terminate this Lease by giving Landlord written notice of its intention to so terminate, which notice shall be given not more than forty-five (45) days after expiration of the Repair Period.

Tenant's failure to provide Landlord with Tenant's Termination Notice within the time periods specified hereinabove shall be deemed conclusive evidence that Tenant has waived its option to terminate this Lease.

Section 12.5 Temporary Space and/or Rent Abatement During Repairs or Renovation. During the Repair Period or during any such period that Landlord completes Work (as defined hereinbelow) or Renovations (as defined in Section 12.11 hereinbelow), if available, and if requested by Tenant in writing, Landlord shall make available to Tenant other space in the Building which, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business. However, if such temporary space is smaller than the Premises, Tenant shall pay Fixed Monthly Rent and Additional Rent for the temporary space based upon the calculated rate per rentable square foot payable hereunder for the Premises, times the number of rentable square feet available for Tenant's use in the temporary space.

If no temporary space is available that is reasonably satisfactory to Tenant, and any part of the Premises is rendered untenantable by reason of such Casualty, Work or Renovation, then to the extent that all or said portion of the usable area of the Premises is so rendered untenantable by reason of such Casualty, Work or Renovation, Tenant shall be provided with a proportionate abatement of Fixed Monthly Rent and Additional Rent. Said proportional abatement shall be based on the usable square footage of the Premises that cannot and is not actually used by Tenant, divided by the total usable square feet contained in the Premises. That proportional abatement, if any, shall be provided during the period beginning on the later of:

(a) the date of the Casualty; or

(b) the actual date on which Tenant ceases to conduct Tenant's normal business operations in all or any portion of the Premises,

and shall end on the date Landlord achieves substantial completion of restoration of the Premises, including, without limitation, the Improvements.

Section 12.6 Tenant's Waiver of Consequential Damages. Subject to Section 12.4, the provisions contained in this Article 12 are Tenant's sole remedy arising out of any Casualty. In the event of a casualty contemplated hereunder, Landlord shall otherwise not be liable to Tenant or any other person or entity for any direct, indirect, or consequential damage (including but not limited to lost profits of Tenant or loss of or interference with Tenant's business), unless

caused by the negligence or willful misconduct of Landlord or the negligence or willful misconduct of Landlord's agents, contractors, directors, employees, licensees, officers, partners, members, managers, affiliates or shareholders, due to, arising out of, or as a result of the Casualty (including but not limited to the termination of this Lease in connection with the Casualty).

Section 12.7 Repair Of The Premises When Casualty Not Caused By Tenant. In the event of a Casualty, then, provided such Casualty is not a result of Tenant's gross negligence or willful misconduct or the gross negligence or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, Landlord shall restore the Premises to its condition prior to the Casualty and repair and/or replace the Improvements previously installed in the Premises.

If Landlord has elected to complete repairs to the Premises, and has not elected to terminate this Lease, as specified in Section 12.3, then Landlord shall complete such repairs within the Repair Period, in a manner, and at times, which do not unreasonably interfere with Tenant's use of that portion of the Premises remaining unaffected by the Casualty. Provided Landlord has elected to make the repairs required hereunder, subject to the terms and conditions of this Article 12, this Lease shall not be void or voidable during the Repair Period, nor shall Landlord be deemed to have constructively evicted Tenant thereby.

Section 12.8 Repair of the Premises When Casualty Caused by Tenant. If the Casualty to all or any portion of the Premises is caused by the gross negligence and/or willful misconduct of Tenant or the gross negligence and/or willful misconduct of Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, Landlord shall not be required to repair any such injury or damage. Landlord shall only repair, at its expense, damage or destruction to the Building, and Tenant shall pay the cost of repairing the Premises and any deductible payable by Landlord for repair of the Building, subject to Section 19.4 below. Furthermore, Landlord and Tenant hereby waive the provisions of California Civil Code Sections 1932(2) and 1933(4) and the provisions of any successor or other law of like import.

If the Casualty to all or any portion of the Premises was caused by the gross negligence and/or willful misconduct of Tenant or the gross negligence and/or willful misconduct of Tenant's agents, contractors, directors, employees, officers, partners, and/or shareholders, then, except in the case of Landlord's negligence and/or willful misconduct, Landlord shall not be liable for any inconvenience or annoyance to Tenant or Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders, or for injury to the business of Tenant resulting in any way from such damage, or from Landlord's undertaking of such repairs.

Section 12.9 Repair of the Building. Except as specified hereinabove, unless Landlord terminates this Lease as permitted hereinabove, Landlord shall repair the Building, parking structure or other supporting structures and facilities within one hundred and eighty (180) days after Landlord becomes aware of such damage and/or destruction.

Section 12.10 Government-Required Repairs. If, during the Term, additional inspections other than those standard annual or biannual inspections to which the Building may generally be subject; testing, repairs and/or reconstruction (collectively the "Work") are required by any governmental authority, or if, upon the recommendation of its engineers, Landlord independently elects to undertake all or any portion of the Work prior to being required to do so by such governmental authority, Landlord shall give notice thereof to Tenant and shall not unreasonably interfere with Tenant's use of the Premises or parking areas or Common Areas or any other rights or remedies of Tenant, while completing the Work. Tenant shall reasonably cooperate with Landlord, at Landlord's cost, in connection with the Work. Tenant agrees that Landlord shall allocate all costs associated with completion of the Work to the Building's Operating Expenses, when permitted to under the provisions of Section 4.1 of this Lease.

If Landlord elects to undertake the Work during the Term, then Tenant shall be entitled to an abatement of rent if the Work causes an Abatement Event in accordance with the provisions of Section 8.9 of this Lease hereinabove, and Landlord shall be completely responsible for repair of any damage to the Premises and all costs associated with the removal, moving, damage and/or storage of Tenant's furniture, artwork, office equipment and files. Landlord will restore any and all areas damaged by completion of the Work to their previous quality and pay all clean-up costs. Landlord further agrees that it shall use commercially reasonable efforts to see that all construction, such as coring or power nailing that could be disruptive to Tenant's normal business operations shall, in so far as is reasonably possible, be performed between the hours of 7:00 p.m. to 7:00 a.m. Monday through Friday; after 1:00 p.m. on Saturdays and/or at any time on Sundays.

Except in the case of Landlord's material breach of this Lease (which breach materially and adversely affects Tenant's access to or use of the Premises or parking facilities) or Landlord's negligence and/or willful misconduct or the negligence and/or willful misconduct of Landlord's agents, contractors, directors, employees, officers, partners, and/or shareholders, Tenant shall not have the right to terminate this Lease as a result of Landlord undertaking the Work, nor shall Tenant or any third party claiming under Tenant be entitled to make any claim against Landlord for any interruption, interference or disruption of Tenant's business or loss of profits therefrom as a result of the Work.

Section 12.11 Optional Landlord Renovation. It is specifically understood and agreed that except as expressly set forth in this Lease Landlord has no obligation to alter, remodel, improve, renovate or decorate the Premises, Building, or any part thereof and that, except as expressly set forth in this Lease, Landlord has made no representations and/or warranties to Tenant respecting the condition of the Premises or the Building, including, without limitation, any representation or warranty regarding any upgrades or other improvements to any Common Areas of the Building or Real Property.

However, at any time and from time to time during the Term, provided that Tenant's use of and access to the Premises and parking areas is not materially and adversely affected, and Tenant's other rights and remedies under this Lease are not adversely affected, Landlord may elect, in Landlord's sole discretion, to otherwise renovate, improve, alter or modify elements of the Real Property and/or the Building (but not the Premises, unless Tenant shall have granted its written consent thereto) (collectively, "Renovations") including without limitation, the parking facilities, Common Areas, systems, equipment, roof, and structural portions of the same, which Renovations may include, without limitation:

(a) modifying the Common Areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions and building safety and security, and

(b) installing new carpeting, lighting and wall covering in the Building Common Areas.

In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in or about the Building, limit or eliminate access to portions of the Building, Common Areas or parking facilities serving the Building, or perform other work in or about the Building, which work may create noise, dust or debris that remains in the Building, so long as Tenant's use of and access to the Premises, Common Areas and parking areas is not adversely affected, and Tenant's other rights and remedies under this Lease are not adversely affected.

So long as Tenant's use of and access to the Premises, Common Areas and parking areas is not materially and adversely affected, and Tenant's other rights and remedies under this Lease are not materially and adversely affected Landlord shall have the right to access through the Premises as well as the right to take into and upon and through all or any part of the Premises, or any other part of the Building, all materials that may reasonably be required to make such repairs, alterations, decorating, additions or improvements pursuant to the provisions of this Section 12.11. So long as Tenant's use of and access to the Premises and parking areas is not adversely affected, and Tenant's other rights and remedies under this Lease are not materially and adversely affected, Landlord shall also have the right, in the course of the Renovations, to close entrances, doors, corridors, elevators, or other building facilities, or temporarily to abate the operation of such facilities.

So long as Tenant is not required to vacate the Premises for any reason arising out of the Renovations, and maintains reasonable access to and use of the Premises, Common Areas, Tenant's signage and the parking facilities, Tenant shall permit all of the Renovations to be done in a commercially reasonable manner, consistent with that at the Comparable Buildings, and except in the case of Landlord's negligence or willful misconduct or the negligence or willful misconduct of Landlord's contractors, directors, employees, officers, partners or shareholders, without claiming Landlord is guilty of the constructive eviction or disturbance of Tenant's use and possession. If Landlord elects to undertake Renovations, and if the Renovations cause an Abatement Event, Tenant shall be entitled to an abatement of rent in accordance with Section 8.9 of this Lease, and Landlord shall be completely responsible for repair of any damage to the Premises and all costs associated with the removal, moving, damage and/or storage of Tenant's furniture, artwork, office equipment and files. Landlord will restore any and all areas damaged by completion of the Renovations to their previous quality and pay all clean-up costs. Landlord further agrees that it shall use commercially reasonable efforts to see that all construction, such as coring or power nailing that could be disruptive to Tenant's normal business operations shall, in so far as is reasonably possible, be performed between the hours of 7:00 p.m. to 7:00 a.m. Monday through Friday; after 1:00 p.m. on Saturdays and/or at any time on Sundays.

Except in the case of Landlord's material breach of this Lease (which breach materially and adversely affects Tenant's access to or use of the Premises or parking facilities) or Landlord's negligence and/or willful misconduct or the negligence and/or willful misconduct of Landlord's agents, contractors, directors, employees, officers, partners, and/or shareholders, Tenant shall not have the right to terminate this Lease as a result of Landlord undertaking the Renovations, nor shall Tenant or any third party claiming under Tenant be entitled to make any claim against Landlord for any interruption, interference or disruption of Tenant's business or loss of profits therefrom as a result of the Renovations. However, Landlord agrees that the Renovations shall be scheduled to permit Tenant to continue its normal business operations, with advance notice thereof, and in such commercially reasonable manner so as to minimize Tenant's inconvenience.

Section 12.12 Optional Tenant Changes During the Term. After completion of the initial Improvements contemplated hereunder, if any, Tenant shall make no alteration, change, addition, demolition or improvement in, on, upon, to or about the Premises, or at any time to any portion of the Building (collectively or individually a "Tenant Change"), without the prior written consent of Landlord, which consent shall be granted or withheld in Landlord's reasonable discretion. Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent but upon ten (10) days prior notice to Landlord and in compliance with Exhibit B-1, to make interior, non-structural alterations (such as new paint and carpet and changes to millwork) ("Cosmetic Alterations") to the Premises that (i) do not affect the exterior appearance of the Building; (ii) do not adversely affect the Building systems and/or the Building structure; (iii) do not interfere unreasonably with another occupant's normal and customary business; and (iv) do not require a building permit from the City of Los Angeles. Except as otherwise specified in Article 7, any Tenant Change shall, at the termination of this Lease, become a part of the Building and belong to Landlord, pursuant to the provisions of Article 7 (it being understood that Tenant owns its trade fixtures, personal property and equipment). Any application for Landlord's consent to a Tenant Change, and the completion thereof, shall be in conformance with the provisions of Exhibit B-1, attached hereto and made a part hereof by reference.

Except as provided herein, Tenant shall not knowingly permit Tenant's agents, clients, contractors, directors, employees, invitees, licensees, officers, partners or shareholders to deface the walls, floors and/or ceilings of the Premises, nor mark, drive nails, screws or drill holes into, or in any way mar any surface in the Building. Notwithstanding the above, Tenant is hereby permitted to install such pictures, certificates, licenses, artwork, bulletin boards and similar items as are normally used in Tenant's business, so long as such installation is carefully attached to the walls by Tenant in a manner reasonably prescribed by Landlord.

If Tenant desires, as a part of any Tenant Change, to make any revisions whatsoever to the common electrical, HVAC, mechanical, life-safety, plumbing, or structural systems of the Building, such revisions, if approved by Landlord, must be completed by subcontractors specified by Landlord and in the manner and location(s) reasonably prescribed by Landlord.

If Landlord consents to any requested Tenant Change, Tenant shall give Landlord a minimum of fifteen (15) days written notice prior to commencement thereof. Landlord reserves the option, but not the obligation, to enter upon the Premises for the purpose of posting and maintaining such notices on the Premises as may be reasonably necessary to protect Landlord against mechanic's liens, material man's liens or other liens, and/or for posting any other notices that may be proper and necessary in connection with Tenant's completion of the Tenant Change.

If any alterations, additions or improvements made by Tenant to the Premises after completion of the Improvements by Landlord result in Landlord being required to make any alterations to other portions of the Building in order to comply with any applicable statutes, ordinances or regulations (e.g., "handicap ordinances") then Tenant shall reimburse Landlord within thirty (30) days after demand for all reasonable costs and expenses incurred by Landlord in making such alterations. In addition, Tenant shall reimburse Landlord for any and all of Landlord's reasonable out of pocket costs incurred in reviewing Tenant's plans for any Tenant Change or for any other "peer review" work associated with Landlord's review of Tenant's plans for any Tenant Change, including, without limitation, Landlord's reasonable out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists, not to exceed an aggregate of two percent (2%) of the cost of the work in question. Tenant shall pay such costs to Landlord within thirty (30) days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work.

S**ection 12.13 Express Agreement**. The provisions of this Lease, including those contained in this Article 12, constitute an express agreement between Landlord and Tenant that applies in the event of any Casualty to the Premises, Building or Real Property. Tenant and Landlord, therefore, fully waive the provisions of any statute or regulations, including California Civil Code Sections 1932(2) and 1933(4), and any other law or statute which purports to govern the rights or obligations of Landlord and Tenant concerning a Casualty in the absence of express agreement. Tenant and Landlord expressly agree and accept that any successor or other law of like import shall have no application hereunder.

ARTICLE 13
CONDEMNATION

Section 13.1 Condemnation of the Premises. If more than twenty-five percent (25%) of the Premises is lawfully condemned or taken in any manner for any public or quasi-public use, or if any portion of the Building is condemned or taken in such a manner that Tenant is reasonably prevented from obtaining access to the Building or the Premises, this Lease may, within ten (10) business days of such taking, be terminated at the option of either Landlord or Tenant by one party giving the other thirty (30) days written notice of its intent to do so. If either Landlord or Tenant provide the other party written notice of termination, the Term and estate hereby granted shall forthwith cease and terminate as of the earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority.

If less than twenty-five percent (25%) of the Premises is so condemned or taken, then the term and estate hereby granted with respect to such part shall forthwith cease and terminate as of the earlier of the date of vesting of title in such condemnation or taking or the date of taking of possession by the condemning authority, and the Fixed Monthly Rent payable hereunder (and Additional Rent payable pursuant to Articles 3 or 4) shall be abated on a prorated basis, by dividing the total number of usable square feet so taken by the total number of usable square feet contained in the Premises, then multiplying said percentage on a monthly basis, continuing from the date of such vesting of title to the date specified in this Lease for the expiration of the Term hereof.

Section 13.2 Condemnation of the Building. If less than twenty-five percent (25%) of the Building is so condemned or taken, then Landlord shall, to the extent of the proceeds of the condemnation payable to Landlord and with reasonable diligence, restore the remaining portion of the Building as nearly as practicable to its condition prior to such condemnation or taking; except that, if such proceeds constitute less than ninety percent (90%) of Landlord's estimate of the cost of rebuilding or restoration, then Landlord may terminate this Lease on thirty (30) days' prior written notice to Tenant.

If more than twenty-five percent (25%) of the Building is so condemned or taken, but the Premises are unaffected thereby, then Landlord shall have the option but not the obligation, which election shall be in Landlord's sole discretion, to terminate this Lease, effective the earlier of the date of vesting of title in such condemnation or the date Landlord delivers actual possession of the Building and Premises to the condemning authority, which election by Landlord shall be provided to Tenant in writing.

Section 13.3 Award. If any condemnation or taking of all or a part of the Building takes place, Tenant shall be entitled to join in any action claiming compensation therefore, and Landlord shall be entitled to receive that portion of the award made for the value of the Building, Premises, leasehold improvements made or reimbursed by Landlord, or bonus value of this Lease, and Tenant shall only be entitled to receive any award made for the value of the estate vested by this Lease in Tenant, including Tenant's proximate damages to Tenant's business and reasonable relocation expenses. Nothing shall preclude Tenant from intervening in any such condemnation proceeding to claim or receive from the condemning authority any compensation to which Tenant may otherwise lawfully be entitled in such case in respect of Tenant's property or for moving to a new location.

Section 13.4 Condemnation for a Limited Period. Notwithstanding the provisions of Section 13.1, 13.2 or 13.3, except during the final twelve (12) months of the Term, if all or any portion of the Premises are condemned or taken for governmental occupancy for a limited period (i.e., anticipated to be no longer than sixty (60) days), then this Lease shall not terminate; there shall be no abatement of Fixed Monthly Rent or Additional Rent payable hereunder; and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise).

If, during the final twelve (12) months of the Term, all or any portion of the Premises are condemned or taken for governmental occupancy for a limited period anticipated to be in excess of sixty (60) days, or for a period extended after the expiration of the initial Term, Tenant shall have the option, but not the obligation, to terminate this Lease, in which case, Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such termination.

If the termination of such governmental occupancy is prior to expiration of this Lease, and Tenant has not elected to terminate this Lease, Tenant shall, upon receipt thereof and to the extent an award has been made, restore the Premises as nearly as possible to the condition in which they were prior to the condemnation or taking.

ARTICLE 14
MORTGAGE SUBORDINATION; ATTORNMENT AND MODIFICATION OF LEASE

Section 14.1 Subordination. This Lease, the Term and estate hereby granted, are and shall be subject and subordinate to the lien of each mortgage which may now or at any time hereafter affect Landlord's interest in the real property, Building, parking facilities, Common Areas or portions thereof and/or the land thereunder (an "underlying mortgage"), regardless of the interest rate, the terms of repayment, or the use of the proceeds of any such mortgage. Tenant shall from time to time execute and deliver such instruments as Landlord or the holder of any such mortgage may reasonably request to confirm the subordination provided in this Section 14.1. Landlord shall use commercially reasonable efforts deliver to Tenant for execution a commercial non-disturbance agreement from EUROHYPO AG, New York Branch, as Administrative Agent on behalf of a syndicate of lenders (collectively, the "Lender") which is the beneficiary under a first-lien deed of trust encumbering the Building, in the form of Exhibit F attached hereto and made a part hereof ("SNDA"). Lender requires that Tenant and Landlord execute the SNDA prior to Lender's execution thereof. Except with respect to the initial SNDA from the existing Lender as of the date hereof, Tenant shall pay the costs

associated with Lender's processing (and, if revisions are requested by Tenant, negotiating any modifications to such instrument) of such SNDA, including any legal fees incurred with respect thereto, not to exceed $[***]. As a condition to the subordination of this Lease to any future underlying mortgage, Landlord agrees to obtain for the benefit of Tenant a commercially reasonable form of subordination, non-disturbance and attornment agreement from the lender or lessor, as applicable, under every underlying mortgage.

Section 14.2 Attornment. Tenant confirms that if by reason of a default under an underlying mortgage the interest of Landlord in the Premises is terminated, provided Tenant is granted in writing continued quiet enjoyment of the Premises pursuant to the terms and provisions of this Lease, Tenant shall attorn to the holder of the reversionary interest in the Premises and shall recognize such holder as Tenant's landlord under this Lease, but in no event shall such holder be bound by any payment of Rent paid more than one month in advance of the date due under this Lease. Tenant shall, within fifteen (15) business days after request therefor, execute and deliver, at any time and from time to time, upon the request of Landlord or of the holder of an underlying mortgage any reasonable instrument which may be necessary or appropriate to evidence such attornment.

Section 14.3 Notice of Default. Should Landlord or any such current or prospective mortgagee or ground lessor require execution of a reasonable short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Term, Tenant agrees to execute and deliver to Landlord such short form of Lease within fifteen (15) business days following the request therefor. Further, Tenant shall give written notice of any default by Landlord under this Lease to any mortgagee and ground lessor of the Building who have given Tenant their address information in writing and have provided written notice to Tenant that they are to be notified in the event of a default by Landlord under this Lease, and shall afford such mortgagee and ground lessor the same cure period as is provided to Landlord under this Lease to cure such default under this Lease.

ARTICLE 15
ESTOPPEL CERTIFICATES

Section 15.1 Estoppel Certificates. Tenant shall, within fifteen (15) business days after receipt of Landlord's written request therefor, execute, acknowledge and deliver to Landlord an Estoppel Certificate, which may be conclusively relied upon by any prospective purchaser, mortgagee or beneficiary under any deed of trust covering the Building or any part thereof. Said Estoppel Certificate shall certify the following, to the actual knowledge of Tenant:

(a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification);

(b) the date, if any, to which rental and other sums payable hereunder have been paid;

(c) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in the certificate;

(d) that Landlord is not in default under this Lease or, if so, specifying such default; and

(e) such other factual matters as may be reasonably requested by Landlord.

Tenant's failure to deliver the Estoppel Certificate within such 15 business day period and an additional five (5) business days following receipt of the Landlord's second (2nd) written request therefor shall entitle Landlord to declare a default under this Lease. Once in any eighteen (18) month period, Tenant may request that Landlord execute and deliver to Tenant an Estoppel Certificate in connection with a financing or other material transaction in which Tenant is a party. The Estoppel Certificate shall state that this Lease is materially unmodified and in full force and effect (or, if there have been material modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each

modification); (b) the date, if any, to which Fixed Monthly Rent and Additional Rent have been paid; and (c) to the actual, then-current knowledge of Landlord (which shall mean Landlord's property manager), without the duty of inquiry and without inspection of the Premises (and such Estoppel Certificate shall reserve for Landlord any matters that would be discovered upon an inspection of the Premises) that Tenant is not in material default under this Lease or, if so, specifying such material default. Landlord shall deliver such Estoppel Certificate within fifteen (15) business days after Tenant's request therefor. Landlord shall have no obligation to deliver an Estoppel Certificate more frequently than once in any eighteen (18) month period.

ARTICLE 16
NOTICES

Section 16.1 Notices. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (a "notice") shall be in writing and shall be considered duly given or furnished when:

(a) delivered personally or by messenger or overnight delivery service, with signature evidencing such delivery;

(b) upon the date of delivery, after being mailed in a postpaid envelope, sent certified mail, return receipt requested, when addressed to Landlord as set forth in the Basic Lease Information and to Tenant at the Premises and any other address for Tenant specified in the Basic Lease Information; or to such other address or addressee as either party may designate by a written notice given pursuant hereto; or

(c) upon confirmation of good transmission if sent via facsimile machine to such phone number as shall have been provided in writing by Landlord or Tenant, one to the other.

For the purpose of the service of any notice by Landlord in an action to obtain legal possession of the Premises under Article 17 of this Lease, the notice will be deemed served ten (10) business days after the date of mailing, attempted personal delivery or dispatch by overnight courier by Landlord under clauses a) or b) above if such mailing or personal or overnight delivery is not accepted or signed for by Tenant notwithstanding Landlord's good faith reasonable efforts.

ARTICLE 17
DEFAULT AND LANDLORD'S OPTION TO CURE

Section 17.1 Tenant's Default. For the purposes of this Section 17.1, if the term "Tenant", as used in this Lease, refers to more than one person, then, such term shall be deemed to include all of such persons or any one of them; if any of the obligations of Tenant under this Lease are guaranteed, the term "Tenant", as used in Section 17.1(e) and Section 17.1(f), shall be deemed to also include the guarantor or, if there is more than one guarantor, all or any one of them; and if this Lease has been assigned, the term "Tenant", as used in Sections 17.1 (a) through (g), inclusive, shall be deemed to include the assignee and assignor, jointly and severally, unless Landlord shall have, in connection with such assignment, previously released the assignor from any further liability under this Lease, in which event the term "Tenant", as used in said subparagraphs, shall not include the assignor that was previously released.

Tenant's continued occupancy and quiet enjoyment of the Premises and this Lease and the covenants and estate hereby granted are subject to the limitation that:

(a) if Tenant fails to make any payment of any Fixed Monthly Rent or Additional Rent within five (5) business days after Tenant's receipt of a factually correct written notice from Landlord that the amount in question is overdue; or

(b) if Tenant abandons the Premises without the payment of Rent; or

(c) if Tenant defaults in the keeping, observance or performance of any covenant or agreement set forth in Sections 6.1, 6.2, or 19.3, and if such default continues and is not cured by Tenant ten (10) business days after Tenant's receipt of a factually correct written notice from Landlord that the default in question exists and requires cure; provided, however, if the nature of Tenant's covenant or agreement is such that more than ten (10) days are required for its performance, then Tenant shall not be in default if it shall commence such performance within such ten (10) day period and thereafter diligently pursue the same to completion within a reasonable time period or

(d) if Tenant defaults in the keeping, observance or performance of any covenant or agreement including any provisions of the rules and regulations established by Landlord (other than a default of the character referred to in Sections 17.1 (a), (b) or (c)), and if such default continues and is not cured by Tenant within thirty (30) days after Landlord has given to Tenant a notice specifying the same, provided, however, if the nature of Tenant's covenant or agreement is such that more than thirty (30) days are required for its performance, then Tenant shall not be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently pursues the same to completion within a reasonable time period; :

(e) intentionally omitted; or

(f) if Tenant:

(i) applies for or consents to the appointment of, or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property;

(ii) admits in writing its inability, or is generally unable, to pay its debts as such debts become due;

(iii) makes a general assignment for the benefit of its creditors;

(iv) commences a voluntary case under federal bankruptcy laws (as now or hereafter in effect);

(v) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts;

(vi) fails to controvert in a timely or appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under such bankruptcy laws;

(vii) takes any action for the purpose of effecting any of the foregoing; or

(g) if a proceeding or case is commenced against Tenant, without the application or consent of Tenant, in any court of competent jurisdiction, which is not dismissed within ninety (90) days after filing, seeking:

(i) the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of Tenant; or

(ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Tenant or of all or a substantial part of its assets; or

(iii) similar relief with respect of Tenant under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days, or an order for relief against Tenant shall be entered in an involuntary case under such bankruptcy laws.

then, in any or each such event, Tenant shall be deemed to have committed a material default under this Lease.

Section 17.2 Landlord's Option to Cure Tenant's Default. If Tenant enters into a default under Section 17.1 of this Lease, beyond all applicable notice and cure periods, in lieu of Landlord's issuance of a written notice, as specified hereinbelow, Landlord may cure the same at the sole expense of Tenant immediately and without notice in the case of emergency; or if such default unreasonably interferes with the use by any other tenant of the Building; with the efficient operation of the Building; or will result in a violation of law or in a cancellation of any insurance policy maintained by Landlord.

Within fifteen (15) business days after receiving a statement from Landlord, Tenant shall pay to Landlord the reasonable amount of the expense reasonably incurred by Landlord in performing Tenant's obligation hereunder. If Tenant fails to pay such amount to Landlord within the specified time period, Landlord may (in addition to any other remedies of Landlord under this Lease or applicable law) deduct the amount due from the Security Deposit under Section 3.7.

Section 17.3 Landlord's Option to Terminate this Lease. In addition to any other remedies Landlord may have at law or in equity, if Tenant enters into a default under Section 17.1 of this Lease, beyond all applicable notice and cure periods, Landlord shall be entitled to give to Tenant a written notice of intention to terminate this Lease at the expiration of three (3) days from the date of the giving of such notice, and if such notice is given by Landlord, and Tenant fails to cure the defaults specified therein, then this Lease and the Term and estate hereby granted (whether or not the Commencement Date has already occurred) shall terminate upon the expiration of such three (3) day period (a "Default Termination"), with the same effect as if the last of such three (3) days were the Termination Date, except that Tenant shall remain liable for damages as provided hereinbelow or pursuant to law.

Section 17.4 Certain Payments. Bills for all reasonable costs and expenses incurred by Landlord in connection with any performance by it under Section 17.2 shall be payable, as Additional Rent, pursuant to the provisions of Section 4.3.

Section 17.5 Certain Waivers. Unless Tenant has submitted documentation that it validly disputes Landlord's billing for Fixed Monthly Rent hereunder, or is completing an audit of Landlord's Operating Expense Statement, if Tenant is in default in payment of Fixed Monthly Rent or Additional Rent hereunder beyond all applicable notice and cure periods, Tenant waives the right to designate the items against which any payments made by Tenant are to be credited. In lieu thereof, Landlord may apply any payments received from Tenant to the then-oldest billing remaining unpaid on Tenant's rental account or to any other payment due from Tenant, as Landlord sees fit.

Section 17.6 Landlord Default. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless:

(a) in the event such default is with respect to the payment of money, Landlord fails to pay such unpaid amounts within five (5) business days of written notice from Tenant that the same was not paid when due, or

(b) in the event such default is other than the obligation to pay money, Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) days period and thereafter diligently pursue the same to completion within a reasonable time period.

Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

ARTICLE 18
DAMAGES; REMEDIES; RE-ENTRY BY LANDLORD; ETC.

Section 18.1 Damages. If Landlord terminates this Lease, pursuant to the provisions of Section 17.3 (a "Default Termination"), then Landlord may recover from Tenant the total of:

(a) the worth at the time of award of the unpaid Fixed Monthly Rent and Additional Rent earned to the date of such Default Termination; and

(b) the worth at the time of award of the amount by which the unpaid Fixed Monthly Rent and Additional Rent which would have been earned after the date of such Default Termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and

(c) the worth at the time of award of the amount by which the unpaid Fixed Monthly Rent and Additional Rent which would have been earned for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; and

(d) any other amount reasonably necessary to compensate Landlord for all of the detriment proximately caused by Tenant's failure to observe or perform any of its covenants and agreements under this Lease or which in the ordinary course of events would be likely to result therefrom, including, without limitation, the payment of the reasonable expenses incurred or paid by Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commission); and

(e) at Landlord's sole election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable California laws.

Section 18.2 Computations: The "worth at the time of award" is computed:

(a) in paragraphs (a) and (b) above, by allowing interest at the rate of ten percent (10%) per annum (but in no event in excess of the maximum rate permitted by law); and

(b) in paragraph (c) above, by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(c) For purposes of computing unpaid rental which would have accrued and become payable under this Lease, unpaid rental shall consist of the sum of:

(i) the total Fixed Monthly Rent for the balance of the then existing fixed Term, plus

(ii) a computation of Tenant's Share of Additional Rent due under this Lease including, without limitation, Tenant's Share of any increase in Operating Expenses (including real estate taxes) for the balance of the Term. For purposes of computing any increases due Landlord hereunder, Additional Rent for the calendar year of the

default and for each future calendar year in the Term shall be assumed to be equal to the Additional Rent for the calendar year prior to the year in which default occurs, compounded at a rate equal to the mean average rate of inflation for the preceding five calendar years as determined by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index (All Urban Consumers, all items, 1982-84 equals 100) for the metropolitan area or region of which Los Angeles, California is a part. If such index is discontinued or revised, the average rate of inflation shall be determined by reference to the index designated as the successor or substitute index by the government of the United States.

Section 18.3 Re-Entry by Landlord.

(a) If a Default Termination occurs, Landlord or Landlord's authorized representatives may re-enter the Premises and remove all persons and all property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding by law, without being liable to indictment, prosecution or damages therefor, and may repossess and enjoy the Premises. No re-entry or repossession of the Premises by Landlord or its representatives under this Section 18.3 shall be construed as an election to terminate this Lease unless a notice of such election is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. The words "re-enter", "re-entry" and "re-entering" as used herein are not restricted to their technical legal meanings.

(b) If any default specified in Sections 17.1 (a) through (g) occurs and continues beyond the period of grace (if any) therefor, then if Landlord does not elect to terminate this Lease Landlord may, from time to time and without terminating this Lease, enforce all its rights and remedies under this Lease, including the right to recover the Fixed Monthly Rent and Additional Rent as the same becomes payable by Tenant hereunder.

(i) If Landlord consents thereto, Tenant may sublet the Premises or any part thereof (which consent Landlord agrees will not be unreasonably withheld), subject to Tenant's compliance with the requirements of Article 11 of this Lease. So long as Landlord is exercising this remedy it will not terminate Tenant's right to possession of the Premises, but it may engage in the acts permitted by Section 1951.4(c) of the California Civil Code.

(c) If Tenant abandons the Premises in breach of this Lease, Landlord shall have the right to relet the Premises or any part thereof on such terms and conditions and at such rentals as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs in and to the Premises necessary to reletting. If Landlord so elects to relet, then gross rentals received by Landlord from the reletting shall be applied:

(i) first, to the payment of the reasonable expenses incurred or paid by Landlord in re-entering and securing possession of the Premises and in the reletting thereof (including, without limitation, altering and preparing the Premises for new tenants and brokers' commissions);

(ii) second, to the payment of the Fixed Monthly Rent and Additional Rent payable by Tenant hereunder; and

(iii) third, the remainder, if any, to be retained by Landlord and applied to the payment of future Fixed Monthly Rent and Additional Rent as the same become due.

Should the gross rentals received by Landlord from the reletting be insufficient to pay in full the sums stated in Section 18.3 (a) and (b) hereinabove, Tenant shall, upon demand, pay the deficiency to Landlord.

Section 18.4 Certain Waivers. After Landlord has actually obtained possession of the Premises pursuant to any lawful order of possession granted in a valid court of law, Tenant thereafter waives and surrenders for Tenant, and for all claiming under Tenant, all rights and privileges now or hereafter existing to redeem the Premises (whether by order or

judgment of any court or by any legal process or writ); to assert Tenant's continued right to occupancy of the Premises; or to have a continuance of this Lease for the Term hereof. Tenant also waives the provisions of any law relating to notice and/or delay in levy of execution in case of an eviction or dispossession for nonpayment of rent, and of any successor or other law of like import. Notwithstanding anything to the contrary set forth in this Lease, including, without limitation, this Article 18, Tenant shall in no event be liable for any punitive, special, incidental or consequential damages (including, without limitation, loss of income, lost profits or loss of goodwill).

Section 18.5 Cumulative Remedies. The remedies of Landlord provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Landlord may be lawfully entitled. The exercise by Landlord of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy. Notwithstanding the foregoing, Landlord shall use all commercially reasonable efforts to mitigate any and all of its damages.

ARTICLE 19
INSURANCE

Section 19.1 Landlord Obligations:

(a) Landlord shall secure and maintain during the Term of this Lease the following insurance:

(i) Commercial General Liability and Umbrella Liability insurance relating to Landlord's operation of the Building, for personal and bodily injury and death, and damage to other's property.

(ii) All risk of standard fire insurance and extended coverage, for full replacement value thereof, and including vandalism and malicious mischief and sprinkler leakage endorsements, relating to the Building, the parking facilities, the Common Area improvements and any and all improvements (including, without limitation, the Improvements) installed in, on or upon the Premises and affixed thereto (but excluding Tenant's trade fixtures, furnishings, equipment, personal property or other elements of Tenant's Property);

(iii) Such other insurance (including, without limitation, boiler and machinery, rental loss, earthquake and/or flood insurance) as Landlord reasonably elects to obtain or any Lender requires.

(b) Insurance effected by Landlord under this Section 19.1 will be:

(i) In amounts which Landlord from time to time determines sufficient or which any Lender requires, but in any event comparable to that carried at the Comparable Buildings; and

(ii) Subject to such commercially reasonable deductibles and exclusions as Landlord deems appropriate.

(c) Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided herein, Tenant acknowledges that Tenant has no right to receive any proceeds from any insurance policies carried by Landlord, except as may be set forth in this Lease.

Section 19.2 Tenant Obligations.

(a) At least ten (10) days prior to the earlier of the Commencement Date or Tenant's anticipated early access date of the Premises and thereafter during the Term of this Lease, Tenant shall secure and maintain, at its own expense throughout the Term of this Lease the following minimum types and amounts of insurance, in form and in companies acceptable to Landlord, insuring Tenant, its employees, agents and designees:

(i) Workers' Compensation Insurance, the amount and scope of which shall be the amount and scope required by statute or other governing law;

(ii) Employer's Liability Insurance in amounts equal to the greater of (1) the insurance currently maintained by Tenant, or (2) the following: Bodily Injury by accident—$1,000,000 each accident; Bodily Injury by disease—$1,000,000 policy limit; and Bodily Injury by disease—$1,000,000 each employee;

(iii) Commercial General Liability and Umbrella Liability Insurance on an occurrence basis, without claims-made features, with bodily injury and property damage coverage in an amount equal to a combined single limit of not less than $2,000,000; and such insurance shall include the following coverages: (A) Premises and Operations coverage with X, C, and U exclusions for explosion, collapse, and underground property damage deleted under both premises/operations and contractual liability coverage parts, if applicable; (B) Owner and Contractor Protective coverage; (C) Products and Completed Operations coverage; (D) Blanket Contractual coverage, including both oral and written contracts; (E) Personal Injury coverage; (F) Broad Form Comprehensive General Liability coverage (or its equivalent); and (G) Broad Form Property Damage coverage, including completed operations;

(iv) All risk of standard fire insurance and extended coverage with vandalism and malicious mischief and sprinkler leakage endorsements, insuring fixtures, glass, equipment, merchandise, inventory and other elements of Tenant's Property in and all other contents of the Premises. Such insurance shall be in an amount equal to 100% of the replacement value thereof (and Tenant shall re-determine the same as frequently as necessary in order to comply herewith, provided that Tenant may have commercially reasonable deductibles.

(b) All insurance policies maintained to provide the coverages required herein shall:

(i) Be issued by insurance companies authorized to do business in the state in which the leased premises are located, and with companies rated, at a minimum "A- VII" by A.M. Best;

(ii) Provide for a deductible only so long as Tenant shall remain liable for payment of any such deductible in the event of any loss;

(iii) Contain appropriate cross-liability endorsements denying Tenant's insurers the right of subrogation against Landlord as to risks covered by such insurance, without prejudice to any waiver of indemnity provisions applicable to Tenant and any limitation of liability provisions applicable to Landlord hereunder, of which provisions Tenant shall notify all insurance carriers;

(iv) Contain provisions for at least ten (10) days advance written notice to Landlord of cancellation due to non-payment and thirty (30) days advance written notice to Landlord of material modification or cancellation for any reason other than nonpayment; and

(v) Stipulate that coverages afforded under such policies are primary insurance as respects Landlord and that any other insurance maintained by Landlord are excess and non-contributing with the insurance required hereunder.

(c) No endorsement limiting or excluding a required coverage is permitted.

(d) Tenant shall deliver to Landlord upon execution of this Lease, written evidence of insurance coverages required herein. Tenant shall deliver to Landlord no less than fifteen (15) days prior to the expiration of any required coverage, written evidence of the renewal or replacement of such coverage. Landlord's failure at any time to object to Tenant's failure to provide the specified insurance or written evidence thereof (either as to the type or amount of such insurance) shall not be deemed as a waiver of Tenant's obligations under this Section.

(e) Landlord shall be named as an additional insured on the Tenant's policies of General Liability and Umbrella Liability insurance and as a loss payee on the Tenant's policies of All Risk insurance as their interest may appear, to the extent of Landlord's interest in the Improvements constructed by Landlord and for which Landlord is obligated to repair and restore pursuant to the terms and conditions of this Lease governing casualty damage to the Premises. Tenant shall deliver to Landlord the appropriate endorsements evidencing additional insured and loss payee status.

(f) The insurance requirements in this Section shall not in any way limit, in either scope or amount, the indemnity obligations separately owed by Tenant to Landlord or Landlord to Tenant under this Lease.

(g) Nothing herein shall in any manner limit the liability of Tenant for non-performance of its obligations or for loss or damage for which Tenant is responsible. The aforementioned minimum limits of policies shall in no event limit the liability of Tenant hereunder.

(h) Tenant may, at its option, satisfy its insurance obligations hereunder by policies of so-called blanket insurance carried by Tenant provided that the same shall, in all respects, comply with the provisions hereof. In such event, Tenant shall not be deemed to have complied with its obligations hereunder until Tenant shall have obtained and delivered to Landlord a copy of each such policy together with an appropriate endorsement or certificate applicable to and evidencing full compliance with the specific requirements of this Lease (irrespective of any claim which may be made with respect to any other property or liability covered under such policy).

Section 19.3 Compliance with Building Insurance Requirements. After Tenant takes occupancy of the Premises, Tenant shall not violate or permit in, on or upon the Premises the violation of any condition imposed by such standard fire insurance policies as are normally issued for office buildings in the City or County in which the Building is located. Tenant shall not do, suffer or permit anything to be done, or keep, suffer or permit anything to be kept, in the Premises which would increase the risk ratings or premium calculation factors on the Building or property therein (collectively an "Increased Risk"), or which would result in insurance companies of good standing refusing to insure the Building or any property appurtenant thereto in such amounts and against such risks as Landlord may reasonably determine from time to time are appropriate, provided the same is consistent with that at the Comparable Buildings.

Notwithstanding the above, if additional insurance is available to cover such Increased Risk, Tenant shall not be in default hereunder if:

(a) Tenant authorizes Landlord in writing to obtain such additional insurance; and

(b) prepays the annual cost thereof to Landlord for such additional coverage, as well as the additional costs, if any, of any increase in Landlord's other insurance premiums resulting from the existence or continuance of such Increased Risk.

Section 19.4 Mutual Waiver of Subrogation. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claims, actions or causes of actions against each other, their respective agents, officers and employees, for any loss or damage that may occur to the Premises, Building or Project, or personal property within the Building, regardless of cause or origin, including the negligence of Landlord and Tenant and their respective agents, officers, employees and contractors, to the extent the same is covered by property insurance, or would have been covered by property insurance had the insurance required

under this Lease been carried. Each party agrees to give immediately to its respective insurance company which has issued policies of insurance covering any risk of direct physical loss, written notice of the terms of the mutual waivers contained in this Section 19.4, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

Section 19.5 Failure to Secure. If at any time during the Term, and after expiration of twenty (20) business days' prior written demand therefore from Landlord, Tenant fails to:

(a) provide Landlord with access to a licensed insurance broker that can verify Tenant's compliance with the requirement contained in this Article 19; or

(b) provide documentation reasonably acceptable to Landlord that Tenant has secured and maintained the insurance coverage required hereunder,

then such failure shall be considered a material default under this Lease, and Landlord shall have the option, but not the obligation, without further notice or demand to obtain such insurance on behalf of or as the agent of Tenant and in Tenant's name.

Tenant shall pay Landlord's billing for the premiums associated with such insurance policy or policies within thirty (30) days after receipt of Landlord's billing, as well as such other reasonable costs and fees arising out of such default, together with interest on the entire amount so advanced by Landlord, at the rate of ten percent (10%) per annum, computed from the date of such advance. Such advances, if made by Landlord, shall be construed as and considered Additional Rent under this Lease.

ARTICLE 20
MISCELLANEOUS

Section 20.1 Entire Agreement. This Lease, including the exhibits and guaranty of lease, if any, annexed hereto, contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection therewith and neither party and no agent or representative thereof has made or is making, and neither party in executing and delivering this Lease is relying upon, any warranties or representations, except to the extent set forth in this Lease. All understandings and agreements heretofore had between Landlord and Tenant relating to the leasing of the Premises are merged in this Lease, which alone fully and completely expresses their agreement. The Riders (if any) and Exhibits annexed to this Lease and the Construction Agreement are hereby incorporated herein and made a part hereof.

Section 20.2 No Waiver or Modification. The failure of Landlord or Tenant to insist in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect. No waiver or modification by either Landlord or Tenant of any covenant or agreement contained in this Lease shall be deemed to have been made unless the same is in writing executed by the party whose rights are being waived or modified. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted in writing by Landlord. The receipt and retention by Landlord, and the payment by Tenant, of Fixed Monthly Rent or Additional Rent with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach by either Landlord or Tenant.

Section 20.3 Time of the Essence. Time is of the essence of this Lease and of all provisions hereof (including, without limitation, Exhibit B).

Section 20.4 Force Majeure. For the purposes of this Lease, "Force Majeure" shall be defined as any or all prevention, delays or stoppages and/or the inability to obtain services, labor, materials or reasonable substitutes therefor, when such prevention, delay, stoppage or failure is due to strikes, lockouts, labor disputes, terrorist acts, acts of God, governmental actions, civil commotion, fire or other casualty, and/or other causes beyond the reasonable control of the party obligated to perform, except that Force Majeure may not be raised as a defense for Tenant's non-performance of any obligations imposed by this Lease with regard to the payment of Fixed Monthly Rent and/or Additional Rent or any monetary obligations of Landlord or to Landlord's obligation to timely construct the Improvements and timely deliver the Premises to Tenant, and except as may be otherwise expressly set forth in this Lease.

Notwithstanding anything to the contrary contained in this Lease, Force Majeure shall excuse the performance of such party for a period equal to any such prevention, delay, stoppage or inability. Therefore, if this Lease specifies a time period for performance of an obligation by either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

Section 20.5 Broker. Landlord and Tenant represent to one another that each has dealt with no broker or agent in connection with this Lease or its negotiations other than Douglas Emmett Management, LLC and CB Richard Ellis. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above.

Section 20.6 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 20.7 Submission of Lease. Whether or not rental deposits have been received by Landlord from Tenant, and whether or not Landlord has delivered to Tenant an unexecuted draft version of this Lease for Tenant's review and/or signature, no contractual or other rights shall exist between Landlord and Tenant with respect to the Premises, nor shall this Lease be valid and/or in effect until this Lease has been fully executed and a duplicate original of said fully-executed Lease has been delivered to both Landlord and Tenant.

The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for Tenant to lease, or otherwise create any interest by Tenant in the Premises or any other offices or space situated in the Building. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered a fully-executed duplicate original of this Lease to Tenant. Landlord and Tenant agree hereby to authorize transmission of all or portions of documents, including signature lines thereon, by facsimile machines, and further authorize the other party to rely conclusively upon such facsimile transmissions as if the original had been received.

Section 20.8 Captions. The captions in this Lease are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof.

Section 20.9 Singular and Plural, Etc. The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. Words used in the masculine gender include the feminine and neuter. If there be more than one Landlord or Tenant the obligations hereunder imposed upon Landlord and Tenant shall be joint and several.

Section 20.10 Independent Covenants. Except where the covenants contained in one Article of this Lease are clearly affected by or contingent upon fulfillment by either party of another Article or paragraph of this Lease, this Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any actions hereunder at Landlord's expense or to any set-off of the Rent or other amounts owing hereunder against Landlord, except as set forth

in this Lease; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for the violation by Landlord of the provisions hereof so long as, pursuant to Section 14.3 above, notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Real Property or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

Section 20.11 Severability. If any covenant or agreement of this Lease or the application thereof to any person or circumstance shall be held to be invalid or unenforceable, then and in each such event the remainder of this Lease or the application of such covenant or agreement to any other person or any other circumstance shall not be thereby affected, and each covenant and agreement hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 20.12 Warranty of Authority. If Landlord or Tenant signs as a corporation, limited liability company or a partnership, each of the persons executing this Lease on behalf of Landlord or Tenant hereby covenant and warrant that each is a duly authorized and existing entity, that each has and is qualified to do business in California, that the persons signing on behalf of Landlord or Tenant have full right and authority to enter into this Lease, and that each and every person signing on behalf of either Landlord or Tenant are authorized to do so.

Section 20.13 No Representations or Warranties. Neither Landlord nor Landlord's agents or attorneys have made any representations or warranties with respect to the Premises, the Building or this Lease, except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise.

Section 20.14 No Joint Venture or Partnership. This Lease shall not be deemed or construed to create or establish any relationship of partnership or joint venture or similar relationship or arrangement between Landlord and Tenant hereunder except as expressly set forth herein.

Section 20.15 Tenant's Obligations At Its Sole Expense. Notwithstanding the fact that certain references in this Lease to acts required to be performed by Tenant hereunder, or to breaches or defaults of this Lease by Tenant, omit to state that such acts shall be performed at Tenant's sole expense, or omit to state that such breaches or defaults by Tenant are material, unless the context clearly implies to the contrary each and every act to be performed or obligation to be fulfilled by Tenant pursuant to this Lease shall be performed or fulfilled at Tenant's sole expense, and all breaches or defaults by Tenant hereunder shall be deemed material.

Section 20.16 Attorneys' Fees. If litigation or legal proceeding is instituted between Landlord and Tenant, the cause for which arises out of or in relation to this Lease, the prevailing party in such litigation shall be entitled to receive its costs (not limited to court costs), expenses and reasonable attorneys' fees from the non-prevailing party as the same may be awarded by the court.

Section 20.17 Alternative Dispute Resolution.

A. MEDIATION: Except for an action for unlawful detainer or other action to obtain legal possession of the Premises (with respect to which Landlord may commence an action in any court of competent jurisdiction and prosecute such remedies as are available to Landlord under applicable law in an unlawful detainer action), and except with respect to the determination of the Option Rent under Section 23 below (which shall be governed by the terms and conditions of such Section 23), the parties hereto agree to mediate any dispute or claim between them arising out of this Lease before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an arbitration or an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. ARBITRATION OF DISPUTES: The parties hereto agree that, except as provided above with respect to an unlawful detainer action (or other action to obtain legal possession of the Premises) and the determination of the Option Rent under Section 23 below, any dispute or claim in law or equity arising between them out of this Lease, which is not settled through Mediation, shall be decided by neutral, binding arbitration ("Arbitration"). The Arbitrator shall be a retired judge with JAMS/Endispute unless the parties mutually agree to a different Arbitrator, who shall render an award in accordance with substantive California law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure Section 1283.05. In all other respects, the Arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the Arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this Lease to Arbitrate shall be governed by the Federal Arbitration Act. The prevailing party in such Arbitration shall be entitled to recover its reasonable attorneys fees and all costs (including arbitration fees and costs) from the losing party.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL, BINDING ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL, BINDING ARBITRATION."

Section 20.18 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

Section 20.19 Prohibition Against Recording. Except as provided in Section 14.3 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

Section 20.20 Hazardous Waste. As used in this Lease, the term "Hazardous Material" shall mean any hazardous or toxic substance, material, or waste that is or becomes regulated by the United States, the State of California or any governmental authority having jurisdiction over the Project. Landlord represents that, as of the date of this Lease and to the best of its knowledge, there are no Hazardous Materials in violation of applicable laws, or otherwise requiring removal or encapsulation or remediation in any of the Premises, Building or Real Property. If Landlord receives a written citation or written notification from a governmental authority with jurisdiction over the Project that Hazardous Materials exist in or on the Building or elsewhere in the Project (any such notice being referred to herein as a "Hazardous Materials Notice"), and such Hazardous Materials were neither created or brought in by Tenant, and Landlord does not choose to dispute such citation or notification, or is unsuccessful in the prosecution of such dispute, then Landlord agrees that it will hire a contractor certified to handle hazardous wastes and toxic materials, and will comply with the reasonable recommendation(s) of said contractor, whether for removal or encapsulation of the Hazardous Materials, or to leave said Hazardous Materials undisturbed. Tenant specifically agrees that, except for such limited quantities of office materials and supplies as are customarily used in Tenant's normal business operations, Tenant shall not engage or permit at any time, any operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, for the purpose of or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of any Hazardous Materials. Tenant

shall, during the Term, remain in full compliance with all applicable laws governing its use and occupancy of the Premises, including, without limitation, the handling, manufacturing, treatment, storage, disposal, discharge, use, and transportation of Hazardous Materials. Tenant will remain in full compliance with the terms and conditions of all permits and licenses issued to it by any governmental authority on account of any or all of its activities on the Premises.

Section 20.21 Intentionally Omitted.

Section 20.22 Signage. Tenant may not install, inscribe, paint or affix any awning, shade, sign, advertisement or notice on or to any part of the outside or inside of the Building, or in any portion of the Premises visible to the outside of the Building or Common Areas without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. All signage and/or directory listings installed on behalf of Tenant, whether installed in, on or upon the public corridors, doorways, Building directory and/or parking directory (if any), or in any other location whatsoever visible outside of the Premises, shall be installed by Landlord, at Tenant's sole expense (which may be charged against the Allowance (as defined in Exhibit B attached hereto) at a commercially reasonable cost. Tenant shall be permitted Building standard signage in a location designated by Landlord at the entrance of the Premises and Tenant's name, logo and company colors may be displayed in the elevator lobby of the twelfth (12th) floor and any other full floor later occupied by Tenant pursuant to this Lease. The size, style, and placement of letters to be used in any of Tenant's signage shall be determined by Landlord, in Landlord's reasonable discretion, in full conformance with the previously established commercially reasonable signage program for the Building. Except as specified hereinbelow, Tenant shall only be entitled to one (1) listing on the Building directory for Tenant's business name and which shall only show Tenant's business name and suite designation. Tenant shall also be entitled to twenty (20) additional listings on said Building for each floor in the Building on which Tenant leases premises, which listings shall be limited solely to Tenant's officers, employees, subsidiaries, affiliates and/or sublessees, if any. All of said listings shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

Section 20.22.1. Exterior Signage.

(a) Monument Signage. Subject to the terms and conditions set forth in this Section 20.22.1, Tenant shall, at Tenant's sole expense, be entitled to affix Tenant's name (but not Tenant's logo to one (1) dedicated monument sign facing Victory Boulevard ("Monument Signage") on a non-exclusive basis.

(i) The Monument Signage shall be subject to the terms of Exhibit H attached hereto and made a part hereof. The Monument Signage shall be provided by the sign contractor designated by Tenant and reasonably acceptable to Landlord. The elevations, style, color, size and format and all other plans, specifications and design elements and materials of the Monument Signage shall be acceptable to Landlord in Landlord's sole and absolute discretion. The Monument Signage shall be consistent with Landlord's current signage program (as may be modified from time to time in Landlord's sole and absolute discretion). In addition, Tenant shall bear all expenses relating to the Monument Signage, including, without limitation:

(A) The cost of obtaining permits and approvals;

(B) The cost of maintaining, repairing, and replacing the Monument Signage; and

(C) If applicable, the cost of any electrical consumption illuminating the Monument Signage.

(D) Tenant shall pay to Landlord, within thirty (30) days after receipt of Landlord's demand, any expenses incurred by Landlord with respect to the Monument Signage, except for those payable directly by Tenant to any third party.

(ii) The Monument Signage right granted hereunder is personal to the original Tenant signing this Lease and any Affiliate and shall be suspended for such time, if any, that Tenant is in material default of its obligations under this Lease beyond all applicable notice and cure periods and Landlord has commenced an action in a court of competent jurisdiction for unlawful detainer or Default Termination. In addition, Landlord may prohibit the transfer of Tenant's Monument Signage right and Building Top Signage right (specified below) to an assignee or sublessee that is not an Affiliate if in Landlord's reasonable determination any signage identifying such assignee or sublessee would be inconsistent with the first class character of the Building (such as but not limited to in the event the assignee or sublessee is engaged in a business that Landlord reasonably deems identified with prurient interests) or would not be permitted by owners of Comparable Buildings in the vicinity of the Building (and it is agreed that it shall be reasonable for Landlord to exercise this right in circumstances where Landlord has consented to the subject assignment or sublease).

At the expiration, or earlier termination of this Lease, Tenant shall, at Tenant's sole expense remove the Monument Signage from the monument pylon and replace the vacancy created thereby with unlettered material reasonably acceptable to Landlord.

Tenant acknowledges that if Tenant has not installed the Monument Signage prior to the date that is the last calendar day of the fourth (4th) month after the Rent Commencement Date, and provided that Landlord delivers written notice to Tenant during the preceding calendar month that Tenant's right to install the Monument Signage shall expire as of such date, then Tenant's right to install the Monument Signage shall expire as of the date that is the first calendar day of the fifth (5th) calendar month after the Rent Commencement Date and Tenant's right to install said signage shall be null and void thereafter, provided that in the event Tenant has performed all material work to have the Monument Signage installed and is delayed only because of a delay caused by Landlord or any of the Landlord Parties, or a delay in receiving a required approval by any governmental authority having jurisdiction over the Monument Signage, then, upon notice of the same to Landlord, such deadline shall be extended day for day until such approval is granted (including any time period that the governmental authority has granted Tenant to modify its application or design) and the applicable delay ends.

(b) Right to Building Top Signage. In addition, subject to the terms and the full satisfaction of the conditions specified in this Section 20.22.1(b), Tenant shall have the right, at Tenant's sole cost and expense, to install one (1) identifying sign (but not logo unless Tenant's logo is substantially incorporated as part of Tenant's name) on the top portion of the Building's exterior in an exact location to be reasonably determined by Landlord (the "Building Top Signage"). Tenant's right to the Building Top Signage shall be subject to the following terms and conditions:

(i) At the time the Building Top Signage is installed (if at all) and at all times thereafter Tenant shall be collectively leasing and occupying a Rentable Area in the Building not less than 44,000 rentable square feet and Tenant shall not be in material default under the Lease after the expiration of any applicable notice and cure periods.

(ii) All of the provisions specified in Section 20.22.1(a)(i) and (ii) above governing Monument Signage, and Exhibit H attached hereto, shall also apply to the Building Top Signage.

In the event Tenant elects to exercise its rights under this Section 20.22.1(b) (and if Tenant has satisfied the conditions precedent to installing the Building Top Signage), Tenant shall provide written notice to Landlord and promptly thereafter Landlord and Tenant shall meet and confer and further document the schedule and terms of the installation of the Building Top Signage (provided that Tenant's obligations shall not be materially different from those stated hereunder). Upon such written election by Tenant, and Tenant's installation of the Building Top Signage pursuant to the terms of this Section 20.22, Article 25 of this Lease shall be deemed void and of no further force or effect. Landlord agrees that during the Term, Landlord shall not grant a building top sign right to any other party that does not lease a minimum of 44,000 rentable square feet in the Building.

Section 20.23 Confidentiality. Landlord and Tenant agree that the covenants and provisions of this Lease shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, which permitted disclosure shall include, but not be limited to, the board members, legal counsel and/or accountants of either Landlord or Tenant.

Section 20.24 ADA Compliance. Landlord represents that, as of the date of this Lease, to the best of Landlord's knowledge, the Building is in material compliance with the requirements of the Americans with Disabilities Act of 1990, as amended ("ADA"). If Landlord receives a written notice or citation from any governmental authority with jurisdiction over the Building alleging that the Building does not comply with the ADA, and Landlord does not elect to dispute said citation or notification, or is unsuccessful in the prosecution of such dispute, and said non-compliance arose out of a condition existing before the Rent Commencement Date, Landlord shall bear such costs as may be necessary to bring the structure of the Building in compliance with the ADA, at Landlord's sole cost and expense (and which costs and expenses shall not be included as part of Operating Expenses).

ARTICLE 21
PARKING

Section 21.1 Parking. Throughout the Term, Tenant shall have the right but not the obligation to purchase up to [***] parking permits per one thousand (1,000) usable square feet in the Premises, of which up to a maximum of [***] parking permits shall be reserved spaces and the remaining shall be unreserved spaces as set forth in Section 21.1 of the Basic Lease Information ("BLI"). Landlord agrees to locate up to a maximum of seven (7) reserved parking stalls for Tenant on the "G" level, which is accessed at the Canoga Avenue entrance, or if Tenant requests on the first underground level, which is designated as "B1". Except as otherwise permitted by Landlord's management agent in its reasonable discretion, and based on the availability thereof, in no event shall Tenant be entitled to purchase more than the number of parking permits listed in the BLI. If additional parking permits are available on a month-to-month basis, which determination shall be in the sole discretion of Landlord's parking agent, Tenant shall be permitted to purchase one or more of said permits on a first-come, first-served basis. Said parking permits shall allow Tenant to park in the Building parking facility at the posted monthly parking rates and charges then in effect (currently $88.00 per single unreserved permit per month and $143.00 per single reserved permit per month, including the 10% City tax), plus any and all applicable taxes, provided that such rates may be changed from time to time, in Landlord's sole discretion. Tenant shall have the right to access its parking spaces twenty-four (24) hours per day, seven (7) days per week.

Notwithstanding the foregoing, Tenant shall be granted the following concessions for parking:

(a) For the period commencing upon the mutual execution of this Lease and continuing through the date immediately preceding the Rent Commencement Date, Tenant shall be entitled to (i) thirty (30) unreserved parking permits at no charge (except for initial parking start-up costs for Building access/parking cards) and (ii) a fifty percent (50%) discount on any additional parking passes purchased by Tenant.

(b) For the period beginning on the Rent Commencement Date and continuing through the last calendar day of the thirtieth (30th) calendar month after the Rent Commencement Date, Tenant shall be granted a fifty percent (50%) discount on all parking charges for the above specified allocation of permits and any visitor validations (so long as such visitor validations are purchased by Tenant on a bulk basis in increments of $500.00).

(c) For the period beginning on the first calendar day of the thirty-first (31st) calendar month after the Rent Commencement Date and continuing through the last calendar day of the forty-eighth (48th) calendar month after the Rent Commencement Date, Tenant shall be granted a twenty-five percent (25%) discount on all parking charges for the above specified allocation of permits.

Landlord shall retain sole discretion to designate the location of each parking space, except for the location of Tenant's seven (7) reserved stalls as specified above, and whether it shall be assigned, or unassigned, unless specifically agreed to otherwise in writing between Landlord and Tenant. Guests and invitees of Tenant shall have the right to use, in common with guests and invitees of other tenants of the Building, the transient parking facilities of the Building at the then-posted parking rates and charges, or at such other rate or rates and charges as may be agreed upon from time to time between Landlord and Tenant in writing subject to Tenant's rights set forth in this Lease with respect to parking charges and validations. Such rate(s) or charges may be changed by Landlord from time to time in Landlord's sole discretion, and shall include, without limitation, any and all fees or taxes relating to parking assessed to Landlord for such parking facilities.

Tenant shall comply with the reasonable and non-discriminatory rules and regulations adopted by Landlord in Exhibit C attached hereto, which rules and regulations for parking may reasonably change at any time or from time to time during the Term hereof in Landlord's reasonable discretion, and subject to Tenant's parking rights set forth herein.

ARTICLE 22
CONCIERGE SERVICES

Section 22.1 Provision of Services. Landlord and Tenant acknowledge and understand that Landlord, through one or more of its affiliates, may, from time to time, make it possible for Tenant to use or purchase a variety of personal services which may include, but not be limited to, personal shopping, assistance with choosing or obtaining travel reservations, accommodations and/or tickets; tickets to performances, recommendations to eating establishments; and the like, as well as construction administration services (collectively "Concierge Services").

Tenant acknowledges that said Concierge Services are provided by Landlord's affiliate solely as an accommodation to and for the convenience of Tenant and Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, and Landlord does not make any representation, warranty or guarantee, express or implied, as to the quality, value, accuracy, or completeness of said Concierge Services, or whether or not Tenant shall be satisfied with the services and/or goods so provided and/or recommended. Landlord hereby disclaims any control over the variety or sufficiency of such services to be provided.

Tenant acknowledges that Tenant is not required to use such Concierge Services as a condition precedent to compliance with this Lease; that Tenant's use of such Concierge Services is strictly voluntary, and at the sole discretion and control of Tenant. Tenant shall independently make such financial arrangements for payment of the services provided as Tenant deems reasonable and of value.

ARTICLE 23
OPTION TO EXTEND TERM

Section 23.1 Option to Extend Term. Provided Tenant is not in material default under this Lease after the expiration of all applicable notice and cure periods on the date Tenant gives notice to Landlord of Tenant's intent to exercise its rights pursuant to this Article 23, Tenant is given the option to extend the term for an additional five (5) year period (the "Extended Term"), commencing the next calendar day after the expiration of the Term (the "Option"). The Option shall apply only to the entirety of the Premises, and Tenant shall have no right to exercise the Option as to only a portion of the Premises.

Tenant's exercise of this Option is contingent upon Tenant giving written notice to Landlord (the "Option Notice") of Tenant's election to exercise its rights pursuant to this Option by Certified Mail, Return Receipt Requested, overnight courier or personal delivery with a signature required upon receipt, no more than twelve (12) and no less than nine (9) months prior to the Termination Date.

Section 23.2 Fixed Monthly Rent Payable. The Fixed Monthly Rent payable by Tenant during the Extended Term ("Option Rent") shall be equal to the Fair Market Value of the Premises as of the commencement date of the Extended Term. The term "Fair Market Value" shall be defined as the effective fixed monthly rent reasonably achievable by Landlord from willing unaffiliated comparable tenants negotiating at arm's length, and shall take into account all economic benefits obtainable by Landlord from any such tenants, and all concessions available to such tenants in the Comparable Building), as is chargeable for a similar use of comparable space by a comparable tenant in first-class office buildings in Woodland Hills, California. Landlord and Tenant shall have thirty (30) days (the "Negotiation Period") after Landlord receives the Option Notice in which to agree on the Fair Market Value. If Landlord and Tenant agree on the Fair Market Value during the Negotiation Period, they shall promptly execute an amendment to the Lease extending the Term and stating the Fair Market Value.

Section 23.3 Appraisers to Set Fixed Monthly Rent. If Landlord and Tenant are unable to agree on the Fair Market Value during the Negotiation Period, then:

(a) Within five (5) days after the expiration of the Negotiation Period, Landlord and Tenant will each place in a sealed envelope their final proposal as to Fair Market Value (the "Final Proposal" or "Final Landlord Proposal" and "Final Tenant Proposal") in the form of an initial price per rentable square foot for fixed minimum rent together with the amount and date of any escalations and any rental abatement and tenant improvement allowance. Landlord and Tenant shall deliver to each other the Final Tenant Proposal and the Final Landlord Proposal within the five (5) day period and shall each deliver their Final Proposal to the appointed brokers pursuant to Section 23.3(b) below within five (5) days of such appointment. The Final Landlord Proposal and Final Tenant Proposal may or may not be the final proposal made by Landlord and Tenant to each other during the Negotiation Period.

(b) Within seven (7) days after the expiration of the Negotiation Period, Landlord and Tenant will each appoint a real estate broker with at least seven (7) years' full-time commercial real estate appraisal experience in the area in which the Premises are located to determine the Fair Market Value of the Premises. If either Landlord or Tenant does not appoint an broker within such seven (7) day period, the single broker appointed will be the sole broker and will determine the Fair Market Value of the Premises within thirty (30) days of appointment by determining whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value as determined by the broker utilizing the guidelines and parameters set forth in this Article 23. If two (2) brokers are appointed pursuant to this paragraph, they will meet promptly and attempt a similar determination of the Fair Market Value of the Premises. In either event the broker(s) sole determination shall be determining whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value of the Premises as determined by the broker(s) and neither the broker(s) nor the retired judge appointed pursuant to this Section 23.3(b) shall compromise the submissions of Fair Market Value or determine any other Fair Market Value other than the Final Landlord Proposal or the Final Tenant Proposal. If the two (2) brokers are unable to agree within thirty (30) days after the second broker has been appointed, they will attempt to select a third broker meeting the qualifications stated in this paragraph within ten (10) days after the last day the two (2) brokers are given to set the Fair Market Value of the Premises. If they are able to agree on the third broker, then the third such broker will be the sole broker and will determine the Fair Market Value of the Premises within thirty (30) days of appointment by determining whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value as determined by such broker utilizing the guidelines and parameters set forth in this Article 23. If they are unable to agree on the third broker, either Landlord or Tenant, by giving ten (10) days' prior notice to the other, can apply to Judicial Arbitration and Mediation Services ("JAMS") or, if JAMS is no longer in existence or cannot provide this service, to the then-presiding judge of the Los Angeles County Superior Court for the selection of a retired judge to act as the sole broker. The brokers must be people who have not previously acted in any capacity for either Landlord or Tenant.

(c) Within thirty (30) days after the selection of the retired judge, and after hearing such testimony and evidence from the two (2) brokers as may be determined necessary and appropriate by such retired judge, the retired judge will set the Fair Market Value of the Premises by determining whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value of the Premises as determined by the retired judge utilizing the guidelines and parameters set forth in this Article 23.

(d) Irrespective of whether the Fair Market Value of the Premises is determined by one or more brokers or by a retired judge, the party whose Final Proposal is determined not to be closest to the actual Fair Market Value of the Premises shall bear (i) all of the costs and expenses of the broker(s), of JAMS, and of the retired judge in connection with determining the Fair Market Value of the Premises and whether the Final Landlord Proposal or Final Tenant Proposal is closer to the actual Fair Market Value of the Premises, and (ii) all reasonable attorneys fees and costs incurred in connection with the appraisal process of the party whose Final Proposal is determined to be the closest to the actual Fair Market Value of the Premises.

(e) Landlord and Tenant shall execute an amendment to the Lease establishing the Fair Market Value promptly after the same has been determined pursuant to this Article 23.

Section 23.4 No Right of Reinstatement or Further Extension. Once Tenant has failed to exercise its rights to extend the term pursuant to this Article 23, it shall have no right of reinstatement of its Option to Extend the Term, nor shall Tenant have any right to a further or second extension of the Term beyond the period stated in Section 23.1 hereinabove.

Section 23.5 No Assignment of Option. This Option is personal to the original Tenant signing the Lease and any affiliate assignee of Tenant, and shall be null, void and of no further force or effect as of the date that Tenant assigns the Lease to an entity that is not an Affiliate pursuant to an assignment which requires Landlord's written consent pursuant to the terms and conditions of this Lease and/or subleases more than forty-nine percent (49%) of the total Rentable Area to an entity that is not an Affiliate.

ARTICLE 24
RIGHT OF FIRST OFFER/RIGHT OF FIRST REFUSAL

Section 24.1 Right of First Offer.

(a) Subject and subordinate only to the continuing right (as it exists as of the date of this Lease) of first offer granted to [***] with respect to any available space on the tenth (10th) floor and to [***] expansion rights (as they exist as of the date of this Lease) covering Suites [***], [***] and [***] on the eleventh (11th) floor, which Suites contain an aggregate of approximately [***] rentable square feet, and are depicted on Exhibit J attached hereto and are referred to herein as the "ROFO Encumbered Premises") (and Landlord, with the express understanding that Tenant's expansion rights hereunder are a material inducement for Tenant to enter into this Lease, represents and warrants that neither [***] nor any other party has a right superior to Tenant, or to which Tenant's rights are subject and subordinate, covering any other space on the 11th floor other than the [***] rights with respect to the ROFO Encumbered Premises as set forth above) with such representation and warranty surviving the expiration or termination of this Lease); and

(b) Provided Tenant is not in material uncured default after the expiration of time and the opportunity to cure as of the date or any time after Tenant tenders to Landlord Tenant's Expansion Notice,

then Landlord grants Tenant a continuing right of first offer to lease any space on the eleventh (11th) floor(s) of the Building (the "Expansion Premises") that is vacated and thereafter becomes available for rent (or space that Landlord has knowledge will be available for lease in the reasonably near future).

If any space within the Expansion Premises is vacated and becomes available for lease to third parties at any time during the initial Term of this Lease, Landlord shall give written notice thereof (the "Offer Notice") to Tenant, specifying the terms and conditions upon which Landlord is willing to lease that portion of the Expansion Premises then available.

Section 24.2 Tenant's Acceptance. Tenant shall have five (5) business days after receipt of the Offer Notice from Landlord to advise Landlord of Tenant's election (the "Acceptance") to lease the Expansion Premises on the same terms and conditions as Landlord has specified in its Offer Notice. If the Acceptance is so given, then promptly thereafter, Landlord and Tenant shall sign an amendment to this Lease, adding the Expansion Premises to the Premises pursuant to the terms hereof (the "Expansion Amendment").

Section 24.3 Failure to Accept Extinguishes Rights. If Tenant does not tender the Acceptance of Landlord's Offer Notice, or if Tenant's Acceptance is conditional or purports to modify any material term contained in Landlord's Offer Notice, or if Landlord and Tenant fail to execute the amendment to Lease called for above within the time period specified, then Landlord may lease such portion of the Expansion Premises as is then available to any third party it chooses without liability to Tenant on terms and conditions reasonably similar to those specified in Landlord's Offer Notice, and Tenant's right of first offer shall be null and void thereafter, subject to Tenant's right of first refusal during the time period commencing on the Commencement Date and ending twelve (12) months after the Rent Commencement Date ("Right of First Refusal Period"), provided that, in the event Landlord (a) intends to enter into a lease for the applicable Expansion Premises on terms which are materially more favorable to the prospective tenant than those terms offered to Tenant, or (b) Landlord fails to lease the previously offered Expansion Premises for a period of eight (8) months following the Tenant's declination (or deemed declination) of the Offer Notice, then Landlord shall again offer the revised terms (under the foregoing clause (a) only) or such other terms as Landlord deems appropriate (under clause (b)) to Tenant and Tenant shall have three (3) business days to agree to such terms in writing or waive its right to lease the applicable Expansion Premises pursuant to such terms. If Tenant does not tender the Acceptance of Landlord's revised Offer Notice, then Landlord may lease such portion of the Expansion Premises as is then available to any third party it chooses without liability to Tenant, subject to Tenant's rights under this Section 24. For purposes of this clause (c), "materially more favorable" shall mean, at a minimum, that the new terms include a net effective rent that is at least seven and one half percent (7.5%) less than the net effective rent offered to Tenant. The foregoing obligation of Landlord and right of Tenant with respect to revised Offer Notices shall continue throughout the initial Term in accordance with this Article 24.

Section 24.4 Right of First Refusal. Subject and subordinate only to the continuing right of first offer granted to [***] Company with respect to any available space on the tenth (10th) floor (as it exists as of the date of this Lease) and to [***] expansion rights covering the ROFO Encumbered Premises (as it exists as of the date of this Lease), if at any time during the Right of First Refusal Period Landlord receives a bona fide proposal for any space comprising the Expansion Premises (whether or not such space has been the subject of an Offer Notice), Landlord shall provide Tenant written notice thereof along with the material terms of such offer (the "RFR Notice"). Landlord may keep confidential the identity of the proposed tenant and Tenant shall have no right to inquire as to such identity. Tenant shall have four (4) business days after receipt of RFR Notice from Landlord to advise Landlord of Tenant's election (the "RFR Acceptance") to lease the subject Expansion Premises on the same terms and conditions as Landlord has specified in its RFR Offer Notice, provided that the term of this Lease for the Expansion Premises shall be co-terminous with the term of this Lease for the original Premises. If the RFR Acceptance is so given, then within promptly thereafter, Landlord and Tenant shall sign an amendment to this Lease, adding the Expansion Premises to the Premises and incorporating all of the terms and conditions originally contained in Landlord's Offer Notice. If Tenant does not tender the RFR Acceptance of the RFR Offer Notice, within the time periods set forth herein, then Landlord may lease such portion of the Expansion Premises as is then available to any third party it chooses without liability to Tenant on all of the same material terms and conditions as those specified in Landlord's RFR Offer Notice, subject to Tenant's rights under this Section 24. With the express understanding that Tenant's expansion rights hereunder are a material inducement for Tenant to enter into this Lease, Landlord represents and warrants that, subject to [***] rights with respect to the ROFO Encumbered Premises as set forth above, neither [***] nor any other party has a right superior to Tenant, or to which Tenant's rights are subject and subordinate, covering any other space on the 11th floor, which representation and warranty shall survive the expiration or earlier termination of this Lease.

Section 24.5 Condition of Expansion Premises. Landlord shall, at its sole cost and expense, cause the Building's electrical, plumbing, HVAC and elevator systems, and any other Building systems serving any portion of the Expansion Premises leased by Tenant to be in good working order and repair as of the date of delivery of the same to Tenant (or the commencement date for the applicable Expansion Premises, if later) but, in connection with the lease of the Expansion Premises by Tenant, subject to the terms of this Article 24, Landlord shall not be obligated at its cost to perform any code upgrades or other improvements within the Premises or Expansion Premises.

ARTICLE 25
OPTION TO TERMINATE LEASE EARLY

Section 25.1 Option to Terminate Lease Early. Tenant may elect to terminate the Lease as of 11:59 p.m. Pacific Time on the last calendar day of the thirty-sixth (36th) calendar month after the Rent Commencement Date (the "Early Termination Date") by giving Landlord written notice (the "Termination Notice") not later than nine (9) months prior to the Termination Date (the "Notice Period Expiration Date"), with said notice being sent Certified Mail, Return Receipt Requested, via overnight courier or personal delivery with a signature required upon receipt.

Section 25.2 Contingencies to Early Termination. Provided that:

(a) the Termination Notice is timely received by Landlord; and

(b) Tenant complies with all the requirements contained in Section 25.3; and

then, as of the Early Termination Date, Tenant and Landlord shall be released from liability for any of their respective obligations hereunder, except for such obligations as specifically herein continue after the expiration or earlier termination of this Lease and except for any outstanding amounts of Rent owed to Landlord for the time period on and prior to the Early Termination Date. In the event Tenant fails to vacate the Premises and surrender legal possession thereof on or before the Early Termination Date, this Article 25 shall be null and void as of the Early Termination Date and this Lease shall remain in full force and effect in accordance with its terms. If Tenant fails to comply with the requirements of this Section 25.2 or fails to pay the statement rendered to it by Landlord within the specified time period, which failure shall include but not be limited to Tenant's check being returned by the bank for insufficient funds, such failure shall constitute a material default of this provision and shall serve to nullify the terms and conditions of this provision, in which case this Lease shall continue in full force and effect for the remainder of the initial Term.

Section 25.3 Tenant's Compensation to Landlord for Early Termination. As soon as is reasonably possible after Landlord's receipt of the Termination Notice, Landlord shall send to Tenant a statement for an amount equal to the sum of (a) any lease commission and tenant improvement costs incurred by Landlord which shall be amortized over the Term on a straight line basis at an interest rate of [***] ([***]) as of the Early Termination Date, and (b) a cancellation fee equal to [***] months of Fixed Monthly Rent due for the calendar month in which the Early Termination Date occurs. Tenant shall pay Landlord the total so billed within sixty (60) days after Tenant's receipt of such statement.

Section 25.4 Expiration of Option to Terminate Early. Provided that Tenant has not already delivered the Termination Notice specified hereinabove, then, effective on the first calendar day of the twenty-eighth (28th) calendar month after the Rent Commencement Date, the provisions of this Article 25 shall be deemed null, void and of no further force or effect. If the Early Termination Option has not expired on its terms herein and Tenant exercises in writing the Right of First Offer under Article 25 of this Lease on or after the first calendar day of twenty-fifth (25th) calendar month

after the Rent Commencement Date (and ultimately leases the Expansion Premises pursuant to such exercise by Tenant under Article 25), or its right to Building Top Signage under Section 20.22.1 of this Lease (provided Tenant has actually installed its Building Top Signage under such Section 20.22.1), Tenant acknowledges and agrees that the provisions of this Article 25 shall be deemed null, void and of no further force or effect upon the full mutual execution and delivery of the Expansion Amendment.

ARTICLE 26
SATELLITE EQUIPMENT

Section 26.1 Satellite Dish And Other Communications Equipment. Landlord hereby grants Tenant the nonexclusive right, at Tenant's sole cost and expense, and subject to the provisions of this Article 26 and further subject to the availability of space therefor, to install, operate and maintain one (1) satellite dish no larger than 36" in diameter ("Satellite Dish") on the roof of the Building in a location designated by Landlord in Landlord's sole and absolute discretion. In addition, Tenant shall have the right, subject to the available capacity of the Building, to install such connection equipment, such as conduits, cables, risers, feeders and materials (collectively, the "Connecting Equipment," hereinafter referred to together and/or separately with the Satellite Dish as the "Transmission and/or Reception Equipment") in the shafts, ducts, conduits, chases, utility closets and other facilities of the Building as is reasonably necessary to connect the Satellite Dish to Tenant's other equipment in the Premises, subject however, to the provisions of this Article 26 and subject to the availability of vertical riser and feeder excess capacity, as determined by Landlord.

Tenant shall also have the right of access to the areas where any such Transmission and/or Reception Equipment is located for the purposes of maintaining, repairing, testing and replacing the same, provided that Tenant shall not be provided access to the roof without in each instance notice to Landlord and having a representative of the Landlord accompany Tenant or any of its contractors. All plans and specifications for the Transmission and/or Reception Equipment shall be subject to Landlord's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. It shall be reasonable for Landlord to withhold its approval to Tenant's plans in the event, without limitation, that the Transmission and/or Reception Equipment would interfere with the rights of any parties existing as of the date of this Lease or if applicable law does not permit installation and/or operation. As a condition to Landlord's approval, Landlord may require Tenant to install certain improvements to the roof to protect the roof from abnormal wear and tear, all at Tenant's sole cost and expense. Any additions, alterations, replacements, modifications to or relocation of any of the Transmission and/or Reception Equipment initially approved by Landlord shall be subject to the prior written approval of Landlord, which approval may be withheld or granted in Landlord's reasonable discretion.

Section 26.2 Installation. The installation, repair and/or replacement of the Transmission and/or Reception Equipment shall be performed in a good and workmanlike manner at Tenant's sole cost and expense. Tenant acknowledges that the local telephone company can extend lines but not circuits directly into the Premises and that a third party vendor may only connect telephone lines from the telephone board in the Premises through the conduit to the outside connection locations. The installation, use, repair, replacement and maintenance of the Transmission and/or Reception Equipment shall be performed in compliance with all applicable statutes, codes, rules ordinances and all other applicable laws of all governmental authorities with jurisdiction over the same. Tenant, at Tenant's sole cost and expense, shall obtain and maintain current all permits and other approvals required by any governmental authority with jurisdiction over the Transmission and/or Reception Equipment. The Transmission and/or Reception Equipment shall be treated for all purposes of this Lease as if the same were Tenant's property. For the purposes of determining Tenant's obligations with respect to its use of the roof of the Building herein provided, the portion of the roof of the Building affected by the Transmission and/or Reception Equipment shall be deemed to be a portion of the Premises, as applicable, and all of the applicable provisions of this Lease with respect to the Premises shall apply to the installation, use and maintenance of the Transmission and/or Reception Equipment, including without limitation, applicable provisions relating to compliance with requirements as to insurance, indemnity, repairs and maintenance, and compliance with laws.

Section 26.3 Non-exclusive Right. It is expressly understood that Landlord retains the right to grant third parties the right to utilize any portion of the roof not utilized by Tenant and to use the portion of the roof on which the Transmission and/or Reception Equipment is located for any purpose whatsoever. In no event shall Tenant's Transmission and/or Reception Equipment interfere with the permitted rooftop equipment of any other tenant in the Building prior to the Commencement Date.

Section 26.4 Maintenance. Tenant shall install, use, maintain and repair the Transmission and/or Reception Equipment so as not to damage the mechanical, electrical, plumbing, HVAC or communications systems of the Building (collectively the "Systems and Equipment") or any other communications or similar equipment located on the roof of the Building; and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, costs, damages, expenses and liabilities (including reasonable attorney's fees) arising out of Tenant's failure to comply with the provisions of this Section 26.4. Tenant, at Tenant's sole cost and expense, shall maintain such equipment and install such fencing and other protective equipment on or about the Transmission and/or Reception Equipment as Landlord may reasonably determine to be necessary or appropriate.

Section 26.5 No Obligation of Landlord. Landlord shall not have any obligations with respect to the Transmission and/or Reception Equipment or compliance with any requirements relating thereto nor shall Landlord be responsible for any damage that may be caused to the Transmission and/or Reception Equipment unless and to the extent caused by the negligence or intentional acts of Landlord, its agents, employees, or contractors. Landlord makes no representation or warranty whatsoever with respect to the Transmission and/or Reception Equipment and, in particular but not in limitation of the foregoing, Landlord no representation or warranty that the Transmission and/or Reception Equipment will be able to receive or transmit communication signals without interference or disturbance and Tenant agrees that Landlord shall not be liable to Tenant therefor.

Section 26.6 Liability of Tenant. Tenant shall (i) be solely responsible for any damage or interference caused as a result of the Transmission and/or Reception Equipment, (ii) promptly pay any and all taxes, license or permit fees charged pursuant to any requirements in connection with the installation, maintenance or use of the Transmission and/or Reception Equipment and timely and fully comply with all precautions and safeguards recommended or required by any governmental authority, (iii) make any and all necessary repairs, replacements or maintenance of the Transmission and/or Reception Equipment, and (iv) pay the cost of any abnormal wear and tear to the roof and other Building areas affected by the Transmission and/or Reception Equipment in violation of this Lease.

Section 26.7 Additional Remedies. If Tenant does not comply with each and every condition and covenant set forth in this Article 26, then, without limiting Landlord's rights and remedies which it may otherwise have under the Lease or applicable law, Tenant shall, upon written notice from Landlord, have the obligation either to (i) reposition the Transmission and/or Reception Equipment to a location designated by Landlord in the exercise of Landlord's reasonable discretion with regard to such location (if Landlord elects to permit such repositioning), and make the repairs and restorations required under Section 26.8 below, or (ii) otherwise correct such noncompliance within ten (10) days after receipt of notice (or such longer period as may be reasonably required as long as Tenant commences such correction within such 10-day period and diligently prosecutes same to completion). If Tenant fails to correct such noncompliance within such ten (10) day period (as may be extended as set forth above) or if it is commercially impracticable to do so, then Tenant shall immediately discontinue its use of the Transmission and/or Reception Equipment and remove the same, in all events at Tenant's sole expense.

Section 26.8 Tenant's Duties Upon Lease Termination. Upon the expiration or earlier termination of the Lease, or any circumstance specified herein where Tenant is obligated to remove the Transmission and/or Reception Equipment, ordinary wear and tear and casualty excepted, Tenant shall, subject to the reasonable control and direction of Landlord, remove the Transmission and/or Reception Equipment, repair any damage caused thereby, and restore the roof and other facilities of the Building to their condition existing prior to the installation of the Transmission and/or Reception Equipment. Tenant's obligations hereunder shall survive the expiration or early termination of the Lease Term.

Section 26.9 Payment by Tenant. In the event Tenant exercises its rights under this Article 26, one 36-inch satellite dish may be used by Tenant during the Term without charge. For any additional dishes, if permitted by Landlord, Tenant shall pay to Landlord, on or before the first (1st) day of each calendar month during the Term in the same manner as Fixed Monthly Rent (and pro-rated for any partial month) an amount to be reasonably assessed by Landlord upon such exercise, which amount shall not be less than $[***] per month as Additional Rent, with [***] annual increases, but shall not be greater than Landlord's prevailing rates, and shall be waived for one (1) dish device and conduit space only for the initial Term of the Lease. Tenant's failure to pay such amounts, upon the expiration of any applicable notice and cure period set forth in this Lease with regard to the non-payment of Rent, shall entitle Landlord to exercise any and all remedies available to Landlord pursuant to this Lease. Additionally, upon the expiration of any applicable notice and cure period, but with one (1) additional business days' notice, Landlord shall have the right to remove the Transmission and/or Reception Equipment, at Tenant's expense, which Tenant shall pay within thirty (30) days of being invoiced by Landlord. Landlord may elect, in Landlord's sole and absolute discretion, to charge Tenant an amount equal to Landlord's reasonable, actual out of pocket costs incurred by Landlord, in approving any additions, alterations, replacements, modifications to or relocation of any of the Transmission and/or Reception Equipment initially approved by Landlord to the extent the same was requested by Tenant in writing.

Section 26.10 Conditional Right. Except for the equipment for which charges are waived hereunder, Tenant's rights under this Article 26 are conditioned upon landlord's determination that space is available for the installation and operation of any transmission and/or reception equipment.

ARTICLE 27
LETTER OF CREDIT

Within forty-five (45) days after the mutual execution and delivery of this Lease, Tenant shall deliver to Landlord, as collateral for the full and faithful performance by Tenant of all of its obligations under this Lease, an irrevocable and unconditional negotiable letter of credit (the "Letter of Credit"), substantially in the form attached as Exhibit G hereto and made a part hereof, and containing the terms required herein, payable in the State of California, running in favor of Landlord, issued by a solvent bank reasonably approved by Landlord under the supervision of the Superintendent of Banks of the State of California, or a National Banking Association, in the initial amount of $[***] ("LC Amount"). Tenant shall provide Landlord with a specimen Letter of Credit from the approved issuer prior to the execution of this Lease. The Letter of Credit shall be:

(a) at sight and irrevocable;

(b) maintained in effect for the entire period from the date of execution of this Lease through the date which is sixty (60) days following the Termination Date ("Letter of Credit Expiration Date"), subject to the last paragraph of this Article 27, provide that the expiration date of the Letter of Credit shall be no earlier than the Letter of Credit Termination Date or provide for automatic renewal thereof at least through the Letter of Credit Expiration Date, unless the issuing bank provides at least thirty (30) days prior written notice to Landlord of such non-renewal by certified mail, return receipt requested at the address set forth on the form of Letter of Credit attached as Exhibit G, or in such form as is otherwise approved by Landlord, in its reasonable discretion, and, in such event, Tenant shall deliver a new Letter of Credit to Landlord at least thirty (30) days prior to the expiration of the Letter of Credit without any action whatsoever on the part of Landlord;

(c) subject to the Uniform Customs and Practices for Documentary Credits (1993-Rev) International Chamber of Commerce Publication #600; and

(d) fully assignable by Landlord in connection with any number of transfers of Landlord's interest in this Lease (with Tenant bearing any fees, costs or expenses in connection with any such transfer), and permit partial draws.

In addition to the foregoing, the form and terms of the Letter of Credit (and the bank issuing the same) shall be acceptable to Landlord, in Landlord's reasonable discretion, and shall provide, among other things, in effect that:

(i) Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the Letter of Credit upon the presentation to the issuing bank of Landlord's (or Landlord's then managing agent's) written statement that Landlord is entitled to make such drawing under this Lease, it being understood that if Landlord or its managing agent be a corporation, partnership or other entity, then such statement shall be signed by an officer (if a corporation), a general partner (if a partnership), or any authorized party (if another entity);

(ii) the Letter of Credit will be honored by the issuing bank without inquiry as to the accuracy thereof and regardless of whether the Tenant disputes the content of such statement; and

(iii) in the event of a transfer of Landlord's interest in the Building, Landlord shall transfer the Letter of Credit, in whole or in part to the transferee and thereupon the Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole or any portion of said Letter of Credit to a new landlord.

If, as a result of any application or use by Landlord of all or any part of the Letter of Credit, the amount of the Letter of Credit shall be less than the LC Amount, Tenant shall, within ten (10) business days thereafter, provide Landlord with an additional letter(s) of credit, in an amount equal to the deficiency (or a replacement letter of credit in the total amount of the LC Amount) and any such additional (or replacement) letter of credit shall comply with all of the provisions of this Article 27, and if Tenant fails to comply with the foregoing terms of this sentence, the same shall constitute an uncurable default by Tenant.

Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit, or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the Letter of Credit expires earlier than the Lease Expiration Date, Landlord will accept a renewal letter of credit or substitute letter of credit (such renewal or substitute letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the Letter of Credit or amendment), which shall be irrevocable and automatically renewable as above provided through the Lease Expiration Date upon the same terms as the expiring Letter of Credit or such other terms as may be acceptable to Landlord in its reasonable discretion. However, if the Letter of Credit is not timely renewed or a substitute or amendment to letter of credit is not timely received, or if Tenant fails to maintain the Letter of Credit in the amount and in accordance with the terms set forth in this Article 27, Landlord shall have the right to present the Letter of Credit to the issuing bank in accordance with the terms of this Article 27, and the entire sum evidenced thereby shall be paid to and held by Landlord as cash (the "Cash Collateral") to be held as collateral for performance of all of Tenant's obligations under this Lease and for all losses and damages Landlord may suffer as a result of any default by Tenant under this Lease pending Tenant's delivery to Landlord of the required replacement letter of credit in the LC Amount and otherwise complying with all of the provisions of this Article 27. Upon delivery of such replacement letter of credit, any Cash Collateral held by Landlord shall be returned to Tenant. Landlord shall have the right to hold Cash Collateral in a deposit account in the name of Landlord and commingle the Cash Collateral with its general assets and Tenant hereby grants Landlord a security interest in the Cash Collateral. Tenant shall not be entitled to any interest earned on the Cash Collateral.

If there shall occur a default under the Lease beyond all applicable notice and cure periods, Landlord may, but without obligation to do so, draw upon the Letter of Credit and/or utilize the Cash Collateral, in part or in whole, to the extent necessary to cure any default of Tenant and/or to compensate Landlord for any and all damages of any kind or nature sustained or which may be sustained by Landlord resulting from Tenant's default, as may be permitted by the express terms and conditions of this Lease. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the Letter of Credit, either prior to or following a "draw" by Landlord of any portion of the Letter of Credit,

regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw from the Letter of Credit. No condition or term of this Lease shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner.

Landlord and Tenant acknowledge and agree that in no event or circumstance shall the Letter of Credit or any renewal thereof or substitute therefor or Cash Collateral be:

(e) deemed to be or treated as a "security deposit" within the meaning of California Civil Code Section 1950.7;

(f) subject to the terms of such Section 1950.7; or

(g) intended to serve as a "security deposit" within the meaning of such Section 1950.7.

The parties hereto:

(i) recite that the Letter of Credit and/or Cash Collateral, as the case may be, is not intended to serve as a security deposit and such Section 1950.7 and any and all other laws, rules and regulations applicable to security deposits in the commercial context ("Security Deposit Laws") shall have no applicability or relevancy thereto; and

(ii) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws.

Notwithstanding any contrary provision of this Article 27 and subject to the conditions set forth in the last sentence of this paragraph, the LC Amount shall decrease to $[***] as of the first calendar day of the thirty-seventh (37th) calendar month after the Rent Commencement Date (which may be accomplished by delivery to Landlord of an amendment to the Letter of Credit or a replacement letter of credit), to $[***] as of the first calendar day of the forty-ninth (49th) calendar month after the Rent Commencement Date, and to $[***] as the of the first calendar day of the sixty-first (61st) calendar month after the Rent Commencement Date. There shall be no further reductions of the LC Amount thereafter. Notwithstanding the foregoing, the LC Amount shall be decreased only if (a) there does not then exist a material default by Tenant of its obligations or liabilities under this Lease beyond all applicable notice and cure periods, and (b) neither the Lease nor Tenant's right to possession of the Premises has been terminated as a result of a material default by Tenant beyond all applicable notice and cure periods.

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IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease, effective the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2008, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, LLC,
a Delaware limited liability company, its
its Agent

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 11/29/2010

TENANT:

BLACKLINE SYSTEMS, INC.,
a California corporation

By: /s/ Therese Tucker
Name: Therese Tucker
Title: CEO

Dated: 11/23/2010

By: /s/ Mario Spanicciati
Name: Mario Spanicciati
Title: EVP, Operations

Dated: 11/23/2010

EXHIBIT A – PREMISES PLAN

Suite 1200 at 21300 Victory Boulevard, Woodland Hills, California 91367
Rentable Area: approximately 22,067 square feet
Usable Area: approximately 20,147 square feet
(Measured pursuant to the provisions of Section 1.4 of the Lease)

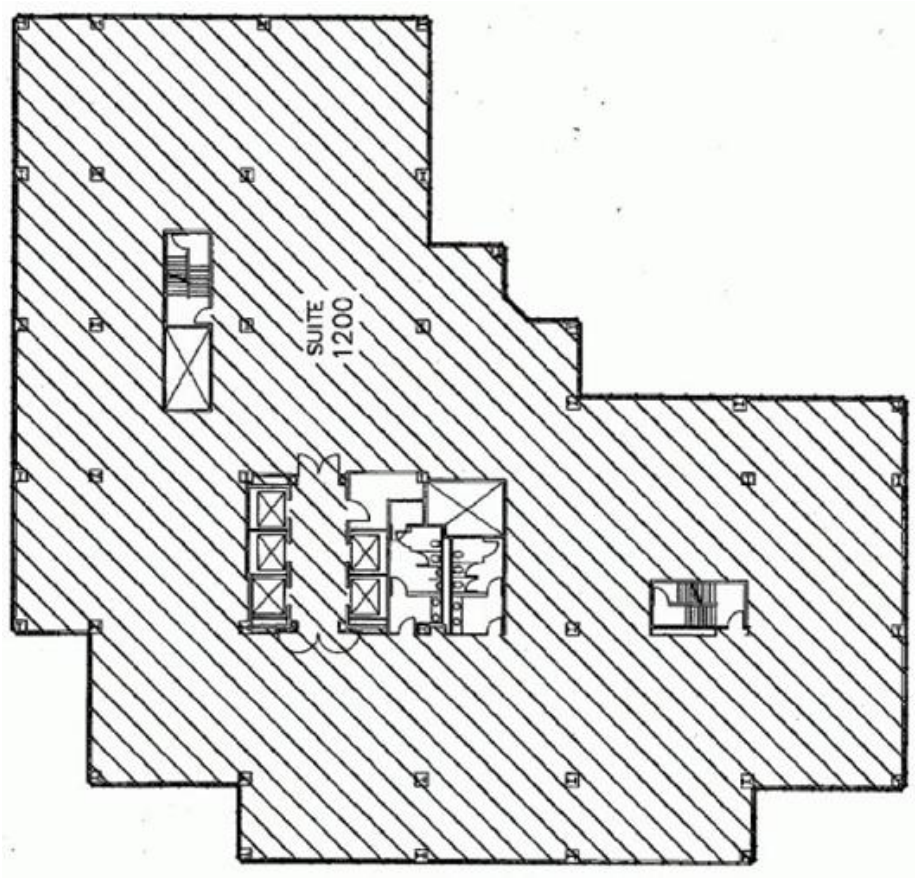

EXHIBIT B
IMPROVEMENT CONSTRUCTION AGREEMENT
CONSTRUCTION TO BE PERFORMED BY LANDLORD WITH AN ALLOWANCE

Section 1. **Completion of Improvements.** Landlord, through its general contractor ("Contractor"), shall furnish and install within the Premises those items of general design, engineering and construction, shown on the final plans and specifications approved by Landlord and Tenant pursuant to the Schedule of Approvals below, in compliance with all applicable laws, ordinances, codes, rules and regulations and matters of record, and complete any construction required in the Common Areas of the Building when such construction is required by or arises out of completion of such work (collectively the "Improvements"). The contractor constructing the Improvements in the Premises shall be selected pursuant to a procedure whereby the final Plans and Specifications (as such term is defined in this Exhibit B) are submitted to Douglas Emmett Builders, Inc. ("DEB") and Pinnacle Contracting Corporation (collectively, the "Approved Contractors"), who shall be requested to each submit to Landlord and to Tenant a sealed contract bid using such forms reasonably acceptable to Landlord in order to provide an "apples to apples" bidding process. The sealed bids shall be delivered to Tenant and Landlord and opened jointly by Landlord and Tenant. Tenant, in Tenant's sole and absolute discretion, shall select the Contractor from the two Approved Contractors (regardless of which has the lower bid). Each bid from the contractors shall specify any allowances for exclusions and shall further provide that said bids are without overtime premiums or bonuses necessary to complete the Improvements in accordance with the terms hereof. The architect engaged by Tenant to prepare the Space Plan and Plans and Specifications and related design work for the Improvements shall be Wolcott (the "Architect"). Landlord shall disburse amounts of the Allowance (up to the maximum specified below) to Architect within thirty (30) days after receipt of paid invoices from Architect or Tenant for Architect's services; provided, however, notwithstanding the foregoing, Landlord shall pay $[***] for the Architect's preparation of the Space Plan (as evidenced by the Architect's invoice number 68045 dated October 15, 2010), at Landlord's sole cost and expense (and without using the Allowance or any portion thereof).

The definition of Improvements shall include all costs associated with completing the Improvements, including but not limited to, fees payable to Wolcott, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees, plan check and permit costs, and document development and/or reproduction, and all costs and expenses for any construction manager(s) engaged by Tenant (provided such soft costs for architectural and engineering services charged against the Allowance shall not exceed $[***] per square feet of Usable Area in the Premises) at Tenant's sole option. The Space Plan and the Plans and Specifications (each as defined in Section 3 of this Exhibit B) shall be subject to Landlord's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord's approval of any iteration of a Space Plan or Plans and Specifications shall be deemed granted unless Landlord provides a reasonable disapproval or approval to Tenant prior to the sixth (6th) business day after Landlord's receipt of the Space Plan or Plans and Specifications. Without limiting Landlord's discretion to reasonably withhold its approval, Tenant agrees that it shall be reasonable for Landlord to withhold its approval of any aspect of Tenant's Space Plan or Plans and Specifications (or, in either case, any proposed changes thereto) which (i) adversely affect Building systems, the structure of the Building or the safety of the Building and/or its occupants, (ii) would violate any governmental laws, rules or ordinances; (iii) would require any changes that adversely impact the base, shell and core of the Building, and/or (iv) are inconsistent with the standards of first class office buildings in the vicinity of the Building, as reasonably determined by Landlord and the Contractor. Landlord shall provide a written statement of any disapproval of any Space Plan or Plans and Specifications stating the reasons for Landlord's disapproval.

Tenant acknowledges and agrees that any change in the scope of work or details of construction after Tenant's and Landlord's approval of the Plans and Specifications shall constitute a "Change Order", the costs of which may be charged against any available amounts of the Allowance under this Exhibit B. To the extent the Change Order delays construction of the Improvements, the same shall be a Tenant Delay.

(a) Subject to the terms of this Exhibit B and the Lease, Tenant shall bear all costs of construction of the Improvements in excess of the "Allowance" (as hereinafter defined) and any architectural services fees and costs in excess of the maximum sum for architectural service fees as specified in Section 2 b) below, and shall deposit such excess costs with Landlord pursuant to the provisions of Subsection 2 (d) hereinbelow. In addition, Tenant shall reimburse Landlord for any and all of Landlord's out of pocket costs incurred in reviewing Tenant's Space Plan and/or Plans and Specifications or any Change Order or for any other "peer review" work associated with Landlord's review of Tenant's Space Plan and/or Plans and Specifications or any Change Order, including, without limitation, Landlord's out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists. Tenant shall pay such costs to Landlord within five (5) business days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work, it being understood and agreed by Landlord and Tenant that such third party may submit its invoice to Landlord before or after the completion of the Improvements but Tenant's obligation to pay the same shall remain in force and effect until paid. Landlord shall have no obligation whatsoever to commence construction of the Improvements until such time as Tenant has deposited the excess costs of construction, and Tenant's failure to make such deposit timely, as required, shall be assessed against Tenant as a Tenant Delay.

(b) Landlord shall contribute a maximum sum of $[***] per square foot of Usable Area contained in the Premises (the "Allowance") which may solely be applied towards completion of the Improvements, and which Landlord shall pay directly to Contractor or other of Tenant's Agents for Tenant's account (provided that the fees and costs attributable to architectural services (whether incurred by the Architect or other party providing architectural services) shall not exceed an aggregate amount equal to $[***] per square foot of Usable Area of the Premises. The Allowance shall be based on the entire Usable Area of the Premises (20,147 square feet). Tenant shall pay such excess costs to Landlord, which excess costs shall not be chargeable against the Allowance). Tenant acknowledges Landlord shall have no obligation to disburse the Allowance after the expiration of eighteen (18) months following the full execution and delivery of this Lease (which period shall be extended day-for-day for each day of extension of the Rent Commencement Date, if any, in accordance with the terms of Section 2.1 of the Lease), provided that Landlord shall have provided Tenant with thirty (30) days prior written notice of the expiration of such 18-month period, with an express reference to this sentence and the expiration of the period for Landlord to disburse the Allowance hereunder).

In addition, and not to be charged against the Allowance, Landlord shall, at Landlord's sole cost and expense, remove all data, telecom and other cabling and wiring in the Premises plenum existing as of the date of this Lease except to the extent Tenant, in its sole and absolute discretion notifies Landlord in writing that it can utilize certain existing cabling for its information technology equipment.

Tenant shall be entitled to disbursements out of the Allowance (and not in addition to the Allowance) of an amount not to exceed $[***] per square foot of Usable Area in the Premises for the purchase and/or installation of furniture, fixtures and equipment (including data and telecom cabling) in the Premises and moving costs into the Premises. No other amounts of the Allowance shall be used for any purpose other than for the cost of the defined "Improvements", except as set forth herein or in the Lease. Such amounts shall be disbursed to Tenant within thirty (30) days after Landlord's receipt of paid invoices evidencing Tenant's costs incurred.

In addition, if the cost of completing the Improvements exceeds the Allowance specified above, if requested by Tenant in writing (in Tenant's sole and absolute discretion), Landlord agrees to advance on behalf of Tenant a maximum of $[***] per square foot of Usable Area contained in the Premises as "Excess Improvements," which total advance, with interest thereon at [***] ([***]) per annum, shall be repaid by Tenant as Amortization Rent, pursuant to the provisions of Section 3.1 of the Lease.

(c) Prior to commencing construction of the Improvements, Landlord shall submit to Tenant a written estimate showing the total anticipated cost of the Improvements (the "Cost Estimate"), which shall include Contractor's overhead and profit, as set forth in the bid approved by Tenant, and an estimate of all fees, and, but only if the Contractor is not DEB, Tenant shall also include an administrative fee payable to the managing agent of Landlord for supervision of completion of the construction equal to [***] ([***]) of the amount of the Improvement Allowance used to construct the Improvements.

Tenant's failure to give written approval of such statement within seven (7) business days after submission thereof shall be a Tenant Delay and shall be conclusively deemed a disapproval of the Cost Estimate, and Contractor shall not commence work on the Improvements until such approval is given by Tenant to Landlord. In addition, a Tenant Delay shall be deemed to have occurred commencing on the sixth (6th) business day after submission of the Cost Estimate and continuing for each day thereafter that Tenant has not approved the same.

(d) Tenant agrees to pay Landlord for the estimated cost of all the Improvements in excess of the Allowance in interim equal monthly payments not to exceed four (4) payments, with the first payment due within ten (10) business days after receipt of Landlord's Cost Estimate.

Tenant hereby authorizes Landlord to pay Contractor interim payments from the Allowance and from the funds so deposited towards completion of the Improvements, except that Landlord shall retain the sum of ten percent (10%) of the total cost of Improvements, as revised by Change Orders, if any, until the date Contractor provides Landlord with reasonable documentation that the Improvements have been substantially completed in accordance with the Plans and Specifications. Progress payments shall be made no more frequently than once per month during construction and amounts of the Allowance shall be disbursed to the Contractor within thirty (30) days after Landlord's receipt of (i) invoices from the Contractor for all labor rendered and materials delivered to the Premises; (ii) executed unconditional mechanic's lien waiver and releases from all of contractors and materialmen which shall comply with California Civil Code Section 3262(d)(4); and (iii) Landlord's receipt of all other information reasonably requested by Landlord.

In the event there is any difference between the estimated cost of the Improvements, the final cost of the Improvements; any initial or interim payments made by Tenant towards completion thereof, then after Contractor has substantially completed the Improvements, Landlord shall provide Tenant with a final statement (the "Final Statement") showing such difference, the amount of the Allowance disbursed to pay for the Improvements and the balance therefore owing from or to Tenant. Any balance owed to Tenant shall be returned with such statement, and any shortfall due Landlord shall be paid by Tenant within thirty (30) days after Tenant's receipt of the Final Statement.

(e) As used in this Lease, "Tenant Delay" shall mean any delay in the design or construction of the Improvements to the extent caused by any act or omission of Tenant or Architect regardless of whether such act or omission is wrongful, negligent or otherwise. A "Tenant Delay" shall include, but shall not be limited to (i) the failure of Tenant or Architect to comply with any design or construction schedule or other provision expressly set forth in this Lease (including, without limitation, this Exhibit B) requiring Tenant or Architect to respond to, review, authorize or approve any matter, or perform an obligation (including, without limitation, the obligation to pay, when due, any amounts required to be paid by Tenant or Architect pursuant to this Lease or to participate in any design or construction meetings or inspections of which Tenant or Architect had reasonable notice) within the time period specified in this Lease or in any written notice; (ii) any net (when taking into account all other Change Orders) delay attributable to any Change Order (as such term is defined in this Exhibit B) or any other changes in or additions to the Space Plan or Plans and Specifications (as such terms are defined in this Exhibit B); or (iii) delay in delivery of any materials that Tenant or Architect require as part of the Plans and Specifications beyond any commercially reasonable delivery time period or any complex engineering work not evident on the Space Plan that will require additional time for installation; (i) the failure to comply with any of the terms of this Exhibit B. No Tenant Delay shall be deemed to have occurred unless the subject delay is not cured within two (2) business days after Landlord's delivery of a factually correct notice to Tenant's representative set forth in Section 10 of this Exhibit B identifying the Tenant Delay; if such delay is not cured by Tenant within such two (2) business day period, then the Tenant Delay shall be deemed to have occurred as of the expiration of such two (2) business day period. In the event of any Tenant Delay the Commencement Date shall be the next day after the date the Improvements would have been substantially completed had no such Tenant Delay occurred.

(f) As used herein, a "Landlord Delay" shall mean any actual delay in the completion of the Improvements as a result of Landlord's breach or material default under this Exhibit B, or Section 2.1 of the Lease; any failure to respond to any items required to be furnished or approved by Landlord within a time period expressly set forth in this Lease (unless a deemed approval is specified, in which case no Landlord Delay shall be assessed); Landlord's failure to allow contractors access to the Building or Premises as scheduled or Landlord's request for material changes in the final Plans and Specifications after Landlord's approval thereof (unless such request was caused by an error or omission by Tenant), provided, however, that notwithstanding the foregoing, no Landlord Delay shall be deemed to have occurred unless and until Tenant has delivered to Landlord a factually correct written notice (the "Landlord Delay Notice"), specifying the bona fide action or inaction which Tenant contends constitutes the Landlord Delay. If such action or inaction is not cured by Landlord within two (2) business days of Landlord's receipt of such Landlord Delay Notice, then the Landlord Delay shall be deemed to have occurred as of the expiration of such two (2) business day period. A delay in construction of the Improvements due to a Tenant Delay, any Force Majeure event or a delay by any governmental authority (including but not limited to the City of Los Angeles) shall not be deemed a Landlord Delay.

Section 3. **Plans and Specifications.** Landlord and Tenant have approved the Tenant's space plan prepared by Architect, with the final revision dated November 11, 2010 (disregarding the furniture layout which was not approved by Tenant), attached hereto as Schedule 1 ("Space Plan").

The Architect shall prepare and submit to Tenant and Landlord construction drawings based on the Space Plan, which drawings shall include a description of all finishes and materials ("Plans and Specifications"). Tenant and Landlord shall approve or comment upon the Plans and Specifications within the time period shown on the Schedule of Approvals.

Any failure by the Tenant to comply with the Schedule of Approvals or to provide information to the Architect as required by Exhibit B shall be a Tenant Delay.

Section 4. **Completion of Work** Not included as Improvements. Except as set forth in this Lease, any work not shown in the Plans and Specifications for data and telephone cabling and equipment, furnishings, installation of Tenant's trade fixtures or cabinetry (collectively "Tenant Work"), shall be separately contracted and paid for by Tenant, to the extent elected by Tenant, in Tenant's discretion. Tenant shall obtain Landlord's prior written approval of Tenant's suppliers and contractors prior to commencement of any of Tenant's Work, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be deemed granted if Landlord does not reasonably disapprove within five (5) business days after notice from Tenant. If Landlord's consent is granted, then as a condition to such consent and prior to the commencement of any Tenant Work, Tenant shall submit a schedule to Landlord, for its reasonable review and approval, which schedule shall detail the timing and purpose (e.g., a description of the work proposed to be performed) of Tenant's Work; if Landlord does not reasonably disapprove within two (2) business days after notice from Tenant, then Landlord's approval shall be deemed granted. Tenant shall comply with any reasonable adjustments to Tenant's proposed schedule requested by Landlord. If the performance of any Tenant Work interferes with the construction of the Improvements or otherwise delays completion of the Improvements, the same shall be deemed a Tenant Delay under this Lease. Subject to the foregoing, Landlord shall give reasonable access to Tenant's suppliers and contractors so as to achieve timely completion of any Tenant Work, provided that such suppliers and contractors shall be under the reasonable administrative control and supervision of Landlord. During completion of any Tenant Work, neither Tenant or Tenant's contractor shall permit any sub-contractors, workmen, laborers, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would unreasonably disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas.

Notwithstanding anything to the contrary in this Lease, Landlord agrees to pay, at its sole cost and expense, and not from the Allowance, any increased costs in the performance of the Improvements to the extent resulting from required remediation of Hazardous Materials (such as, by way of example, asbestos or mold) that are present in the Premises as of the date of this Lease and not brought onto the Premises by Tenant or any of Tenant's contractors.

Section 5. **Schedule of Approvals.** Landlord and Tenant shall comply with the schedule ("Schedule of Approvals") set forth below. Tenant's failure to comply with the Schedule of Approvals shall be a Tenant Delay.

Event	Time
Deadline by which Tenant shall have met with Landlord's space planner.	Completed
Deadline for Tenant's approval or disapproval of Space Plan.	Completed
Design Completion and Finish selection by Tenant	Ten (10) business days after mutual execution and delivery of this Lease
Plans and Specifications delivered to Landlord for review, comment and/or approval	Ten (10) business days after Design Completion and Finish selection by Tenant
Landlord to review, comment upon or approve Plans and Specifications	Not later than five (5) business days after receipt by Landlord (but subject to deemed approval)
Plans and Specifications issued for permit and bidding	Upon completion of Landlord's review or deemed approval
Contractor bids due	Nine (9) business days after the last to occur of all of the above Events
Qualify Bids and Award Contract	Five (5) business days after receipt of Contractor bids
Deadline for Tenant's approval or disapproval of Landlord's Cost Estimate	On or before five (5) business days after receipt by Tenant

Section 6. **Construction Insurance Requirements.** Contractor, at the its sole expense, shall obtain and maintain public liability and workmen's compensation insurance adequate to protect Tenant and Landlord from and against any and all liability for death or injury to persons or damage to property caused in or about the Premises by reason of completion of the Improvements.

For Tenant Work, if any, Tenant shall, at Tenant's sole expense, either obtain and maintain public liability and workmen's compensation insurance adequate to fully protect Landlord as well as Tenant' from and against any and all liability for death or injury to persons or damage to property caused in or about the Premises by reason completion of any Tenant Work, or shall cause Tenant's contractors or subcontractors to provide such insurance

Section 7. **Completion of Punchlist.** Prior to Tenant's taking occupancy of the Premises, the representatives of each of Landlord and Tenant as specified in Section 9, below, shall conduct a joint inspection of the Premises for the purpose of developing a written "punchlist" of Improvement items, if any, that do not conform to the Plans and Specifications and any Change Orders (the "Punchlist"). Provided that said items were included within the Plans and Specifications or Change Orders approved by the Landlord, as may be required hereunder, Landlord shall correct those items not yet completed within thirty (30) days after creation of the Punchlist. Tenant's failure or refusal to participate in such inspection in a timely manner (provided Tenant has received reasonable written notice of the readiness of the Premises for such inspection), provided such failure continues after a five (5) business day written reminder notice from Landlord, shall constitute any associated commercially reasonable Punchlist prepared by Landlord, Architect and Contractor being deemed the approved Punchlist hereunder.

Section 8. **Construction Warranties.** Landlord agrees that, subject to Tenant's performance of Tenant's obligation under this Exhibit B and after Landlord shall complete the Improvements, Landlord shall correct any construction defects about which Tenant notifies Landlord in writing within one (1) year following the later of the completion of the Improvements or the Rent Commencement Date. Tenant's right to repair of any defect shall be extended for such longer period as may be covered by warranties provided by Contractor or subcontractor (s), and Landlord shall use commercially reasonable efforts to obtain all available warranties and guaranties with respect to the Improvements.

Section 9. **Meetings.** Upon commencement of the planning and construction process, Landlord's representatives shall hold meetings on a regular basis (which shall be weekly if deemed reasonably necessary) at reasonable times, with representatives of Tenant, and, when the parties deem reasonably appropriate, Architect and the Contractor, regarding the progress of the construction of the Improvements, which meetings shall be held at a location reasonably agreed to by Landlord and Tenant (or to be held by conference call). Tenant and/or its agents shall receive reasonable prior notice of all such meetings.

Section 10. **Landlord and Tenant Representatives.** Tenant has designated Mario Spanicciati as its sole representative with respect to the matters set forth in this Exhibit B, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Exhibit B. Landlord has designated Helen Chong as its sole representatives with respect to the matters set forth in this Exhibit B, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Exhibit B.

LANDLORD:

DOUGLAS EMMETT 2008, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, LLC,
a Delaware limited liability company, its
its Agent

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 11/29/2010

TENANT:

BLACKLINE SYSTEMS, INC.,
a California corporation

By: /s/ Therese Tucker
Name: Therese Tucker
Title: CEO

Dated: 11/23/2010

By: /s/ Mario Spanicciati
Name: Mario Spanicciati
Title: EVP, Operations

Dated: 11/23/2010

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SCHEDULE 1

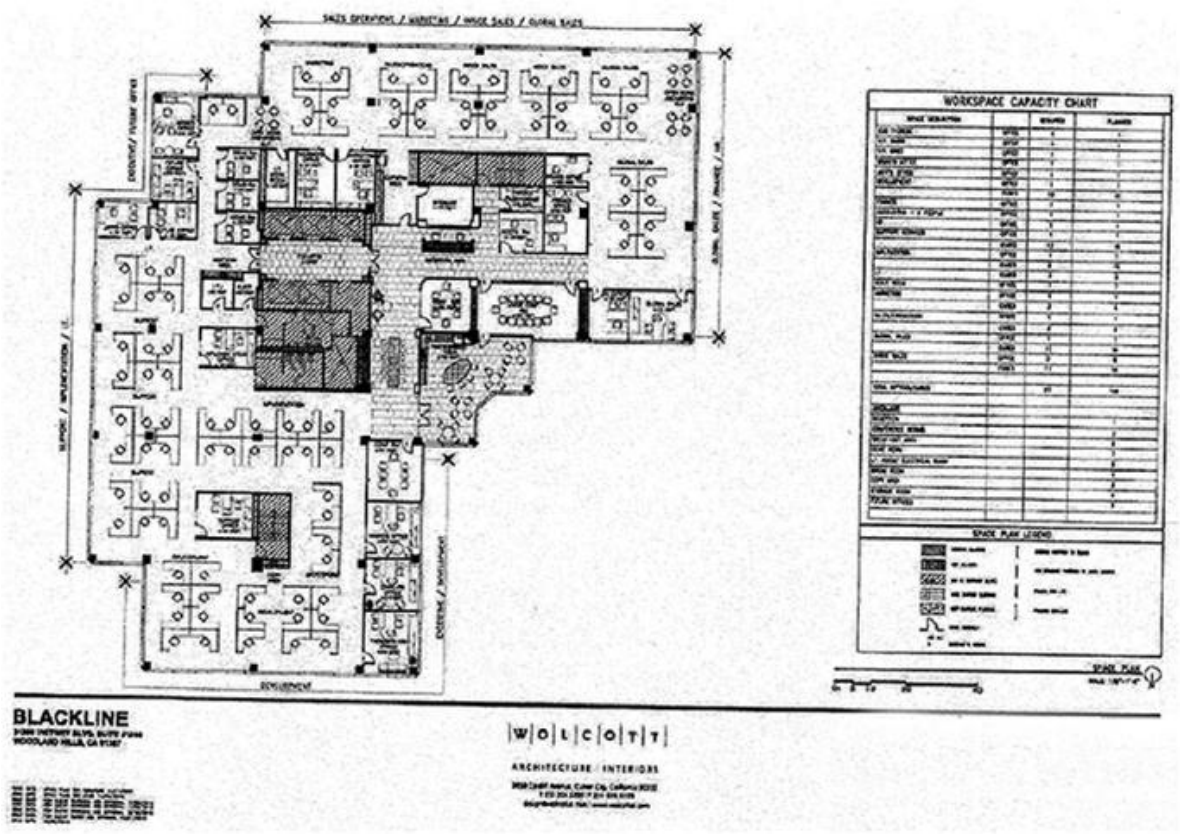

EXHIBIT B-1
CONSTRUCTION BY TENANT DURING TERM

1. If Tenant wishes to make a Tenant Change, as specified in Section 12.12 of the Lease, such Tenant Change shall be completed pursuant to the provisions of Section 12.12 of the Lease and this Exhibit B- 1. Tenant shall bear all costs of said Tenant Change, including to Tenant's general contractor ("Contractor").

2. Contractor shall complete construction to the Premises pursuant to the final Plans and Specifications approved in writing by Landlord and Tenant, as such consent may be required under the Lease (the "Tenant Change"), in compliance with all applicable codes and regulations. Tenant's selections of finishes and materials shall be indicated on the Plans and Specifications, and shall be equal to or better than the minimum Building standards and specifications. All work not shown on the final Plans and Specifications, but which is to be included in the Tenant Change, including but not limited to, telephone service installation, furnishings or cabinetry, shall be installed pursuant to Landlord's reasonable directives.

3. Prior to commencing any work:

(a) Tenant's proposed Contractor and the Contractor's proposed subcontractors and suppliers shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. As a condition of such approval, so long as the same are reasonably cost competitive, then Contractor shall use Landlord's Heating, Venting, and Air-conditioning, plumbing, and electrical subcontractors for such work.

(b) During completion of any Tenant Change, neither Tenant or Contractor shall permit any sub-contractors, workmen, laborers, material or equipment to come into or upon the Building if the use thereof, in Landlord's reasonable judgment, would unreasonably disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Premises by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of any Tenant Change, improvements, fixtures and/or equipment in, on, upon or about the Premises.

Contractor shall submit to Landlord and Tenant a written bid for completion of the Tenant Change. Said bid shall include Contractor's overhead, profit, and fees, and, if the proposed Tenant Change is for cosmetic work in excess of $100,000 in aggregate value per occurrence or for structural work of any kind, Contractor shall:

(i) pre-pay to Landlord's managing agent $250.00 as partial payment of said managing agent's construction administration fee, as specified hereinbelow, and

(ii) upon completion of said Tenant Change, pay an administration fee for supervision of said Tenant Change equal to two percent (2%) of the total cost of the Tenant Change, to defray said agent's costs for supervision of the construction.

4. Tenant or Contractor shall submit all Plans and Specifications to Landlord, and no work on the Premises shall be commenced before Tenant has received Landlord's final written approval thereof, which shall not be unreasonably withheld, delayed or conditioned Landlord's approval of any iteration of the Plans and Specifications shall be deemed granted unless Landlord provides a reasonable disapproval or approval to Tenant prior to the sixth (6th) business day after Landlord's receipt of the Space Plan or Plans and Specifications. In addition, Tenant shall reimburse Landlord for any and all of Landlord's reasonable out of pocket costs incurred in reviewing Tenant's plans for any Tenant Change or

for any other "peer review" work associated with Landlord's review of Tenant's plans for any Tenant Change, including, without limitation, Landlord's reasonable out of pocket costs incurred in engaging any third party engineers, contractors, consultants or design specialists. Tenant shall pay such costs to Landlord within thirty (30) days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work.

5. Contractor shall complete all architectural and planning review and obtain all permits, including signage, required by the city, state or county in which the Premises are located.

6. Contractor shall submit to Landlord verification of public liability and worker's compensation insurance adequate to fully protect Landlord and Tenant from and against any and all liability for death or injury to persons or damage to property caused in or about or by reason of the construction of any work done by Contractor or Contractor's subcontractors or suppliers.

7. Intentionally Omitted.

8. Contractor and Contractor's subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide Contractor and Contractor's subcontractors and suppliers with reasonable access to the Premises.

9. During construction of the Tenant Change, Contractor shall adhere to the procedures contained hereinbelow, which represent Landlord's minimum requirements for completion of the Tenant Change.

10. Upon completion of the Tenant Change, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full, and Contractor shall provide Landlord with lien releases as reasonably requested by Landlord, confirmation that no liens have been filed against the Premises or the Building. If any liens arise against the Premises or the Building as a result of the Tenant Change, Tenant shall, within twenty (20) days after notice that the lien has been filed, at Tenant's sole expense, remove or bond against such liens and provide Landlord evidence that the title to the Building and Premises have been cleared of such liens or that such liens have been bonded over.

11. Whether or not Tenant or Contractor timely complete the Tenant Change, unless the Lease is otherwise terminated pursuant to the provisions contained therein, Tenant acknowledges and agrees that Tenant's obligations under the Lease to pay Fixed Monthly Rent and/or Additional Rent shall continue unabated, except as set forth in the Lease.

CONSTRUCTION POLICY

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

1. Administration

(a) Contractors to notify the management office for the Building prior to starting any work. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.

(b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.

(c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.

(d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.

(e) The HVAC contractor performing work for Tenant in connection with a Tenant Change (and not the Improvements) is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:

(i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.

(ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.

(f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.

(g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.

(h) Contractors will include in their proposals all costs to include: parking, elevator service, additional security (if required), restoration of carpets, etc. Parking will be validated only if contractor is working directly for the Building Office.

(i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager. Any changes that need additional work not described in the bid will be approved in writing by the Building Manager. All contractors doing work on this project should first verify the scope of work (as stated on the plans) before submitting bids; not after the job has started.

2. Building Facilities Coordination

(a) All deliveries of material will be made through the parking lot entrance.

(b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.

(c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

3. Housekeeping

(a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.

(b) All construction done on the property that requires the use of lobbies or Common Area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:

(i) Mylar: Extra heavy-duty to be taped from the freight elevator to the suite under construction.

(ii) Masonite: 1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.

(c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.

(d) Food and related lunch debris are not to be left in the suite under construction.

(e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All Common Areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

4. Construction Requirements

(a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e., tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.

(b) Electric panel schedules must be brought up to date identifying all new circuits added.

(c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.

(d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.

(e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.

(f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.

(g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

(h) All core drilling is not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

(i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:

(i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.

(ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.

(iii) The Building Engineer will inspect the construction on a periodic basis as well.

(j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction shall be deducted Tenant's Security Deposit as may be permitted under the express terms and conditions of Section 3.7 of the Lease.

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LANDLORD:

DOUGLAS EMMETT 2008, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, LLC,
a Delaware limited liability company, its
its Agent

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 11/29/2010

TENANT:

BLACKLINE SYSTEMS, INC.,
a California corporation

By: /s/ Therese Tucker
Name: Therese Tucker
Title: CEO

Dated: 11/23/2010

By: /s/ Mario Spanicciati
Name: Mario Spanicciati
Title: EVP, Operations

Dated: 11/23/2010

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

FIRST AMENDMENT TO OFFICE LEASE

This First Amendment to Office Lease (the "**First Amendment**"), dated August 14, 2012, is made by and between DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company ("**Landlord**"), and BLACKLINE SYSTEMS, INC., a California corporation ("**Tenant**").

WHEREAS,

A. Landlord, pursuant to the provisions of that certain Office Lease, dated November 22, 2010 and a certain Memorandum of Lease Term Dates and Rent dated April 21, 2011 (the "**Original Memorandum**", and collectively, the "**Lease**"), leased to Tenant and Tenant leased from Landlord space in the property located at 21300 Victory Boulevard, Woodland Hills, California 91367 (the "**Building**"), commonly known as Suite 1200 (the "**Existing Premises**");

B. Tenant wishes to expand its occupancy within the Building to include a lease of additional office space in the Building on the eleventh floor of the Building (the "**Expansion Space**"), which Expansion Space is shown on Exhibit A and will be designated as Suite 1100; and

C. The Term of the Lease for the Existing Premises expires September 30, 2017, which Term Landlord and Tenant wish to hereby extend for a period of three (3) months through December 31, 2017.

Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. Confirmation of Defined Terms. Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this First Amendment.

2. Extension of Term. The Term of the Lease of the Existing Premises is hereby extended for a period of three (3) months (the "**Extended Term**"), from and including October 1, 2017 (the "**Renewal Effective Date**"), through and including midnight on December 31, 2017 (the "**Termination Date**").

3. Delivery Date; Condition of the Expansion Space; Expansion Date and Expansion Term. Landlord shall deliver exclusive possession of the Expansion Space to Tenant, in broom-clean condition and free of any tenancies (and with all personal property ~~and cabling~~ of any prior occupants removed, ~~except to the extent Tenant, in its sole and absolute discretion notifies Landlord in writing prior to the execution of this First Amendment that it can utilize certain existing cabling for its information technology equipment~~ and provided that, upon the expiration of the Term or the early termination of this Lease, any new cabling or wiring installed by Tenant shall be removed in accordance with and subject to the terms of Section 7.1 c) of the Lease), on the first business day following (i) the mutual execution of this First Amendment by Landlord and Tenant and (ii) payment to Landlord of all funds due to be paid by Tenant upon execution of this First Amendment; and (iii) delivery of written evidence to Landlord of the insurance covering the Expansion Space required to be procured and maintained by Tenant under Section 19.2 of the Lease, so that Tenant may commence the construction of the Improvements (as such term is defined in Exhibit B attached hereto and incorporated herein by this reference (the "**Delivery Date**")). Tenant's occupancy of the Expansion Space from and after the Delivery Date and prior to the Expansion Date (the "**Access Period**") shall be upon all of the terms and conditions of the Lease, as amended (including insurance coverage), except that Tenant shall not be obligated to pay Fixed Monthly Rent or Additional Rent for the Expansion Space, or HVAC, janitorial or security during Normal Business Hours for the Expansion Space until the Expansion Date, provided that during the Access Period Tenant shall pay for Excess HVAC in accordance with the Lease, and any above-standard janitorial services. Tenant's contractor parking and other vendor parking during the Access Period shall be free of charge in connection with work being performed in the Expansion Space, and Landlord

shall make available reasonably sufficient parking in the Building parking facility for such contractors and vendors. During the Access Period Tenant shall be subject to Landlord's reasonable administrative control and supervision and Tenant shall be entitled to construct the Improvements in the Expansion Space in accordance with and subject to the terms of Exhibit B attached hereto.

If possession of the Expansion Space is not delivered by Landlord to Tenant in accordance with the terms and conditions of this First Amendment, within ten (10) business days after the Delivery Date, then Tenant shall have the right to terminate this First Amendment by giving written notice to Landlord within ten (10) calendar days after such failure. Landlord shall have three (3) days after receipt of such notice to cure such failure and, if Landlord has not cured the matter within such time period, this First Amendment shall terminate upon a second (2nd) written notice from Tenant after such failure to cure. If such notice of termination is not so given by Tenant within said ten (10) calendar day time period, then this First Amendment shall continue in full force and effect. The term of the lease of the Expansion Space under this First Amendment shall commence on December 27, 2012 (the "**Expansion Date**"), and shall continue through and including the Termination Date (the "**Expansion Term**"). Tenant shall commence the payment of Fixed Monthly Rent and Additional Rent with respect to the Expansion Space upon the Expansion Date; provided, however, notwithstanding anything to the contrary in the Lease, the Expansion Date shall be extended by the number of days on which there is any delay in the construction of the Improvements resulting from Landlord Delay (as defined below) or Force Majeure (as defined in the Lease). Tenant shall be entitled to possess, occupy, improve and use the entire Expansion Space as of the Delivery Date and Tenant shall have no obligation to pay Fixed Monthly Rent or Additional Rent for the Expansion Space until the Expansion Date. As used herein, a "**Landlord Delay**" shall mean any actual delay in the completion of the Improvements as a result of Landlord's breach or material default under this First Amendment (including, without limitation, any breach of representation or warranty); any delays relating to any of the matters specified in Section 5.3 of Exhibit B attached hereto; any failure to respond to any items required to be furnished or approved by Landlord within a time period expressly set forth in this First Amendment or the Lease (unless a deemed approval is specified, in which case no Landlord Delay shall be assessed); Landlord's failure to allow contractors access to the Building or Premises as scheduled in advance with the Building's property manager or Landlord's request for material changes in the final Plans and Specifications after Landlord's approval thereof (unless such request was caused by an error or omission by Tenant), provided, however, that notwithstanding the foregoing, no Landlord Delay shall be deemed to have occurred unless and until Tenant has delivered to Landlord a factually correct written notice (the "**Landlord Delay Notice**"), specifying the bona fide action or inaction which Tenant contends constitutes the Landlord Delay. If such action or inaction is not cured by Landlord within two (2) business days of Landlord's receipt of such Landlord Delay Notice, then the Landlord Delay shall be deemed to have occurred as of the expiration of such two (2) business day period. A delay in construction of the Improvements due to a Tenant Delay (as defined in Exhibit B to the Lease), any Force Majeure event or a delay by any governmental authority (including but not limited to the City of Los Angeles) shall not be deemed a Landlord Delay. Any Landlord Delay Notice shall be sent to the notice address set forth in the Lease with copies to (a) to the property manager at the management office of the Building; and to (b) Douglas Emmett Management LLC, 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, Attention: Leasing Legal Department Manager.

Except as otherwise set forth in this First Amendment, Landlord shall deliver the Expansion Space to Tenant, and Tenant shall accept the Expansion Space, in its "as-is" condition, subject to Landlord's obligations under the Lease and this First Amendment, and subject to any latent defects of which Tenant notifies Landlord in writing within twelve (12) months after the date of delivery of the Expansion Space to Tenant, and subject to the following representations and warranties by Landlord as of the Delivery Date: (a) the Building and mechanical systems serving the Expansion Space shall be in proper working order and repair; and (b) the Building systems serving the Expansion Space shall provide electrical and HVAC capacity for standard office use consistent with Class A buildings in the Woodland Hills Area, provided that (i) occupancy in the Expansion Space is, on average, no more than six (6) persons for every 1,000 square feet of Usable Area in the Expansion Space and (ii) Tenant does not use in the Expansion Space any above-standard equipment that, in the aggregate with Tenant's other electrical equipment in the Expansion Space, consumes above-standard levels of electricity or otherwise overloads the Building's electrical systems or creates any safety hazards. Tenant may increase its permissible occupancy density ratio in the Expansion Space after this First Amendment is executed from six (6) per 1,000 square feet of Usable Area in the Expansion Space to up to seven (7) persons per 1,000 square feet of Usable Area in the Expansion Space, on average, as long as Tenant pays for installation of additional VAV boxes, to the extent reasonably necessary as a result of such increase to reasonably accommodate the Building systems requirements of the increased density. In such event, Tenant shall deliver notice to Landlord and promptly thereafter Landlord and Tenant shall meet and confer to reasonably agree upon the contractor to perform the work and the plans and specifications for such work.

Landlord and Tenant acknowledge the existence of certain wiring and cabling located above the ceiling in the Expansion Space that was used by prior occupants of the Expansion Space but not removed. Tenant shall remove the wiring and cabling as part of the construction of the Improvements, the cost of which Tenant may charge against the Cabling Restoration Allowance (as defined in Exhibit B attached to this First Amendment).

Landlord and Tenant also acknowledge the existence of the fixtures and equipment in the Expansion Space kitchen (including the related ceiling vent in the kitchen). Landlord makes no representation, warranty or covenant whatsoever about the condition of the kitchen, or any of the fixtures and equipment in the kitchen (including the ceiling vent), or whether any of the same comply with applicable law in their current condition; provided however, to the extent that, at any time during the Term, Tenant's Improvements (or any other alterations or improvements) or governmental requirements require the alteration or removal of the shaft above the ceiling vent, or such alteration or removal is otherwise required, then Landlord's contractor shall, at Landlord's sole cost and expense, alter or remove the shaft (together with all related restoration, repair and other work, such as, by way of example, removing the shaft from the Building in its entirety, if necessary, and restoring the other floors in the Building as a result thereof) to the extent reasonably required to accommodate the installation of Tenant's Improvements (or any other alterations or improvements) without delaying Tenant's construction thereof.

To Landlord's knowledge, Landlord has received no written notice in effect as of the date of this First Amendment of any code or other legal violations relating to the Expansion Space, or relating to the Building that would increase the cost of, or time to construct, the Improvements.

4. Expansion of Premises. Provided that the demising wall is erected in the location specified on Exhibit A attached hereto, for purposes of calculating Fixed Monthly Rent and Tenant's Share the parties hereby stipulate that the Expansion Premises contains approximately 9,271 square feet of Rentable Area and approximately 7,836 square feet of Usable Area. As of the Expansion Date, the definition of the Premises shall be revised to include both the Existing Premises and the Expansion Space, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Space together, as if the same had been originally included in said Lease, subject to the terms and conditions of this First Amendment. Landlord and Tenant agree that a recalculation of the Usable Area of the Expansion Space shall be made after the Expansion Date by Stevenson Systems, Inc., an independent planning firm, using the 2010 ANSI/BOMA Standard set forth collectively by the American National Standards Institute and the Building Owners and Managers Association ("**ANSI/BOMA Standard**"), as a guideline, and that Landlord is utilizing a deemed add-on factor of 18.31% to compute the Rentable Area of the Expansion Space. Tenant and Landlord agree to document the revised Usable Area as documented by Stevenson Systems, and the other matters specified below that will be determined upon such Usable Area being confirmed, in the Memorandum (as defined in Section 4 below). Landlord and Tenant further agree that the Rentable Area of the Expansion Space shall be calculated on the basis of 1.1831 times the estimated Usable Area, regardless of what actual common areas of the Building may be, or whether they may be more or less than 18.31% of the total estimated Usable Area of the Building, and is provided solely to give a general basis for comparison and pricing of this space in relation to other spaces in the market area. Landlord and Tenant further agree that once the Rentable Area and Usable Area of the Expansion Space have been determined as specified hereinabove, even if later either party alleges that the actual Rentable Area or Usable Area of the Expansion Space is more or less than the figures stated herein; and whether or not such figures are inaccurate, for all purposes of the Lease, the Rentable and Usable figures agreed upon shall be conclusively deemed to be the Rentable Area, or Usable Area of the Expansion Space, as the case may be.

Notwithstanding any adjustment in the Usable Area and/or Rentable Area as determined pursuant to this Section 4, and provided the demising wall is erected in the location indicated on Exhibit A attached hereto and the Expansion Space plan as depicted on Exhibit A is not modified after this First Amendment is executed, there shall be no change in the Fixed Monthly Rent due for the Expansion Space as set forth in Section 5.2, below or in Tenant's Share as set forth in Section 6, below. As of the Expansion Date, the total Usable Area of the Premises shall be 27,983 square feet and the total Rentable Area of the Premises shall be 31,338 square feet, subject to confirmation of the Usable Area and Rentable Area as provided above.

If the demising wall is erected in a location different from that as indicated on Exhibit A attached hereto, or if the Expansion Space plan as depicted on Exhibit A is otherwise modified after this First Amendment is executed, and if as a result the Rentable Area of the Expansion Space is increased or decreased pursuant to this Section 4 then (a) the Fixed Monthly Rent commencing on the first calendar day of the thirteenth (13th) calendar month after the Expansion Date shall be recalculated based on $2.13 per square foot of Rentable Area of the Expansion Space, per month; (b) thereafter, the Fixed Monthly Rent shall be adjusted to result in an increase of three percent (3%) per annum, cumulative over the Expansion Term; (c) as of the Expansion Date, Security Deposit for the Expansion Space shall be adjusted to an amount equal to one month's Fixed Monthly Rent for the Expansion Space due during the last year of the Term; (d) as of the Expansion Date, if the Usable Area of the Expansion Space is increased or decreased pursuant to this Section 4, then "Tenant's Share" as set forth herein for the Expansion Space shall be increased or decreased equally, by dividing the newly calculated Usable Area of the Expansion Space by the Usable Area of the Building; (e) the Allowance shall equal $32.50 per square foot of Rentable Area within Expansion Space; and (f) all other amounts based on the Usable Area of the Expansion Space or Rentable Area of the Expansion Space shall be adjusted appropriately. Landlord and Tenant shall promptly execute a memorandum (the "**Memorandum**") confirming the finalized Delivery Date, Expansion Date, the Fixed Monthly Rent escalation dates as described in Section 5.b. below, and the other matters specified above as soon as they are determined. Tenant shall execute the Memorandum and return it to Landlord within fifteen (15) business days after receipt thereof. Failure of Tenant to timely execute and deliver the Memorandum shall constitute an acknowledgement by Tenant that the statements included in such Memorandum are true and correct.

5. Revision in Fixed Monthly Rent.

5.1 Existing Premises.

The Fixed Monthly Rent for the Existing Premises through September 30, 2017 shall be as set forth in the Original Memorandum.

Commencing on the Renewal Effective Date, and continuing through the Termination Date, the Fixed Monthly Rent payable by Tenant for the Existing Premises shall be $[***] per month.

5.2 Expansion Space.

Commencing on the Expansion Date and continuing through the last day of the sixth (6th) month after the Expansion Date, the Fixed Monthly Rent payable by Tenant shall be $[***] per month.

Commencing on the first (1st) day of the seventh (7th) month and continuing through the last day of the twelfth (12th) month after the Expansion Date, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Subject to verification of the Usable Area and Rentable Area as specified in Section 4 above but only in the event the demising wall is erected in a location different from that as indicated on Exhibit A attached hereto or the Expansion Space plan as depicted on Exhibit A is otherwise modified after this First Amendment is executed and as a result the Rentable Area of the Expansion Space is increased or decreased.

Commencing on the first (1st) day of the thirteenth (13th) month after the Expansion Date and continuing through the last day of the twenty-fourth (24th) month after the Expansion Date the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the first (1st) day of the twenty-fifth (25th) month after the Expansion Date, and continuing through the last day of the thirty-sixth (36th) month after the Expansion Date the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the first (1st) day of the thirty-seventh (37th) month after the Expansion Date and continuing through the last day of forty-eighth (48th) month after the Expansion Date the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Commencing on the first (1st) day of the forty-ninth (49th) month after the Expansion Date and continuing through December 31, 2017, the Fixed Monthly Rent payable by Tenant shall increase from $[***] per month to $[***] per month.

Notwithstanding anything to the contrary in the Lease or this First Amendment, although the Fixed Monthly Rent payable during the time period beginning on the Expansion Date and continuing through the last calendar day of the 12th month after the Expansion Date is based on a Rentable Area that is less than the Rentable Area for the entire Expansion Space, the entire Expansion Space shall be delivered to Tenant in accordance with the terms hereof, and Tenant shall have the use and enjoyment of the entire Expansion Space.

Notwithstanding the foregoing, Tenant shall be permitted to defer [***] of the Fixed Monthly Rent due for each of the 13th, 14th, 18th, 19th, 25th, 26th, 37th and 38th full months of the Expansion Term (and if the Expansion Date occurs prior to January 1, 2013, such months would be January 2014, February 2014, June, 2014, July 2014, January 2015, February 2015, January 2016 and February 2016) (collectively, the amount of Fixed Monthly Rent deferred shall be referred to herein as the "Rent Deferral Amount"). So long as Landlord has not terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, the entire Rent Deferral Amount shall be abated and forgiven as of the Termination Date; provided, however, that if Landlord has terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, then (a) Tenant shall pay to Landlord upon demand the entire Rent Deferral Amount due for the months of the Term prior to the occurrence of such material default, and (b) Tenant shall not be entitled to any additional or future deferral of Fixed Monthly Rent.

Concurrent with Tenant's execution and delivery to Landlord of this First Amendment, Tenant shall pay to Landlord the Fixed Monthly Rent due for the Expansion Space alone for the first month of the Expansion Term.

6. Tenant's Share. As of the Expansion Date, subject to verification of the Usable Area and Rentable Area as specified in Section 4 above, but only in the event the demising wall is erected in a location different from that as indicated on Exhibit A attached hereto or the Expansion Space plan as depicted on Exhibit A is otherwise modified after this First Amendment is executed and as a result the Usable Area of the Expansion Space is increased or decreased, then Tenant's Share for the Expansion Space, shall be 3.53%.

7. Modification to Security Deposit. Landlord acknowledges that it currently holds the sum of $[***] as a Security Deposit under the Lease, which amount Landlord shall continue to hold throughout the Term, in accordance with the terms and conditions of the Lease, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this First Amendment, and subject to adjustment under Section 4, above, but only in the event the demising wall is erected in a location different from that as indicated on Exhibit A attached hereto or the Expansion Space plan as depicted on Exhibit A is otherwise modified after this First Amendment is executed and as a result the Rentable Area of the Expansion Space is increased or decreased (in which case the additional amount of the Security Deposit shall equal the last month's Fixed Monthly Rent for the Expansion Space), Tenant shall tender the sum of $[***], which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, throughout the Term, provided the same is not otherwise applied, Landlord shall hold a total of $[***] as a Security Deposit on behalf of Tenant. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Lease Article 18 and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party. As used in the Lease a "Tenant Party" shall mean Tenant, any employee of Tenant, or any agent, authorized representative, design consultant or construction manager engaged by or under the control of Tenant.

8. Parking. Throughout the Expansion Term, with respect to the Expansion Space, Tenant shall have the right but not the obligation to purchase up to five (5) parking permits per one thousand (1,000) square feet of Rentable Area in the Expansion Space, of which one (1) parking permit shall, if designated by Tenant in Tenant's sole and absolute discretion, be for a reserved space and the remaining shall be unreserved spaces. Commencing on the Expansion Date and continuing through June 30, 2015, Tenant shall be granted the following concessions for parking for the entire Premises (i.e., including the Existing Premises and the Expansion Space):

(a) a fifty percent (50%) discount on all parking charges for the above specified allocation of permits and any visitor validations (so long as such visitor validations are purchased by Tenant on a bulk basis in increments of $500.00).

(b) For the period beginning on July 1, 2015 and continuing through December 31, 2017, Tenant shall be granted a twenty-five percent (25%) discount on all parking charges for the above specified allocation of permits and any visitor validations (so long as such visitor validations arc purchased by Tenant on a bulk basis in increments of $500.00).

Except as modified herein, Tenant's parking rights and obligations shall be as set forth in Article 21 of the Lease, and Tenant's parking rights with respect to the Existing Premises shall not be reduced in any manner.

9. Miscellaneous. The Lease is hereby amended as follows (all Section and Article references shall be references to the original Lease unless specified otherwise):

9.1 Option to Extend. The Option to Extend set forth in Article 23 is amended to include the Expansion Space and to change the Termination Date to the Termination Date as defined in this First Amendment.

9.2 Right of First Offer/Right of First Refusal. The Right of First Offer and Right of First Refusal set forth in Article 24 shall remain in full force and effect except that the Right of First Refusal Period is hereby extended until midnight on September 30, 2014.

9.3 Termination Option. The Termination Option set forth in Article 25 shall remain in full force and effect and shall include the Expansion Space, except that: (a) the "Early Termination Date" shall mean September 30, 2015; (b) the "Notice Period Expiration Date", shall mean December 31, 2014; (c) the termination compensation specified in Section 25.3 shall include (in addition to the amounts stated in Section 25.3) (i) any lease commission and tenant improvement costs incurred by Landlord in connection with this First Amendment, which shall be amortized over the Expansion Term on a straight line basis at an interest rate of eight percent (8%) as of the Early Termination Date, and (ii) a cancellation fee equal to three (3) months of Fixed Monthly Rent for the Expansion Space due for the calendar month in which the Early Termination Date occurs; and (d) Section 25.4 is deleted in its entirety and replace with the following, which shall be fully incorporated in the Lease as if set forth therein: "Section 25.4. Expiration of Option to Terminate Early. Provided that Tenant has not already delivered the Termination Notice specified hereinabove, then, effective on January 1, 2015, the provisions of this Article 25 shall be deemed null, void and of no further force or effect. If the Early Termination Option has not expired on its terms herein and Tenant exercises in writing the Right of First Offer under Article 25 of this Lease on or after October 1, 2014 (and ultimately leases the Expansion Space pursuant to such exercise by Tenant under Article 25), or its right to Building Top Signage under Section 20.22.1 of this Lease (provided Tenant has actually installed its Building Top Signage under such Section 20.22.1), Tenant acknowledges and agrees that the provisions of this Article 25 shall be deemed null, void and of no further force or effect upon the full mutual execution and delivery of the Expansion Amendment."

9.4 Amendment to SNDA. Landlord shall use its most diligent efforts to deliver Lender's written consent to this First Amendment in order to comply with Section 4(i) of the existing SNDA within thirty (30) days after this First Amendment is executed and delivered by the parties, which written consent shall include a written statement that the terms and provisions of the existing SNDA cover the entire Premises, including the Expansion Space (or in lieu of such written statement, Landlord shall use its most diligent efforts to cause Lender to execute and record an amended and restated SNDA that covers the entire Premises, including the Expansion Space).

9.5 ADA Compliance. Landlord's representations, warranties and covenants under Section 20.25 of the Lease are hereby ratified.

9.6 Directory Signage. Tenant may, in its sole discretion, install building standard signage per a building standard location at the entrance of the Expansion Space at Landlord's sole cost and expense, payable by Landlord to Tenant within thirty (30) days after Landlord's receipt of written invoice. If required by applicable law (such as, without limitation, any fire codes or regulation), or otherwise desired by Landlord, Landlord shall, at Landlord's sole cost and expense, install building standard signage per a building standard location at the entrance of the Expansion Space. Tenant, in its sole and absolute discretion, may elect to have its names grouped in one location of the directory board, at Landlord's sole cost and expense, in any area reasonably designated by the Landlord in addition to having such names individually listed alphabetically per one line per 1,000 rentable square feet in the Expansion Space not to exceed twenty (20) lines, subject to space availability. The signage hereunder shall be in addition, and without limitation, to the signage provided under the Lease.

9.7 Key Card Systems.

9.7.1 Exit Stairwell System. Tenant shall have the right, but not the obligation, to install a key card reader inside either or both of the interior exit stairwells on the eleventh (11th) and twelfth (12th) floors for entrance from the stairwell into the Existing Premises and the Expansion Space, all at Tenant's sole cost and expense.

9.7.2 Elevator Card Access System. The Building elevator system currently has four (4) elevator cabs, two (2) of which currently have installed hardware with the capacity, subject to programming of the elevator operating system, to restrict access to floor(s) leased by Tenant to only Tenant and its designees who have been issued a key card or similar access key (the "Elevator Card Access System") and two (2) which do not have such Elevator Card Access System hardware built in as of the date hereof. Promptly after this First Amendment is mutually executed and for so long as Tenant or any Affiliate leases the entire twelfth (12th) floor, at Tenant's election in Tenant's sole and absolute discretion, Landlord shall program the restricted access Card System for the twelfth (12th) floor at Tenant's sole cost and expense. In addition, for any other full floors in the Building leased by Tenant (including the eleventh (11th) floor at any time during the Term (as may be extended pursuant to the Lease), Landlord shall promptly, upon notice from Tenant and at Landlord's sole cost and expense, (a) install Elevator Card Access System hardware in the two (2) cabs that do not currently have such hardware (and such system shall be comparable to that installed in the other two (2) cabs) and Landlord shall program and activate all four (4) Elevator Card Access Systems at Landlord's sole cost for every such full floor leased by Tenant.

9.7.3 Plans and Specifications; Restoration. The plans and specifications for the foregoing systems specified in Sections 9.7.1 and 9.7.2 (if installed) shall be subject to the prior written approval of Landlord and Tenant, which approval shall not be unreasonably withheld, conditioned or delayed. In addition, the systems shall be programmed so that Landlord will have a "key-override" and any other reasonable access required to the Premises, including the Expansion Space (e.g. during emergencies and for janitorial service). The systems shall not interfere with or have an unreasonable adverse effect upon the Building's security, electrical, structural or elevator systems or on any other tenants' use of their premises. Upon the expiration of the Term or the early termination of this Lease, such systems shall be de-activated, and Tenant shall be responsible at Tenant's cost for the removal and restoration of such systems, to the extent located within the interior of the Premises, in accordance with Section 7.1 of the original Lease. For the avoidance of doubt, Tenant shall not be required to remove or restore any of such systems to the extent located in the Building common areas (including, without limitation, in the elevators).

9.8 Expansion Space Excess HVAC; Expansion Space Supplemental HVAC. If Tenant requires Excess HVAC in the Expansion Space Tenant shall make its request during Normal Business Hours via Landlord's commercially reasonable system, which is currently administered by providing Excess HVAC access cards to the Tenant each with a user name and pass code, which users may call into a phone center which will prompt the caller to program their access to Excess HVAC. There shall be a one (l)-hour minimum charge for Excess HVAC when such Excess HVAC is ordered. Tenant's request shall be deemed conclusive evidence of its willingness to pay the cost for excess HVAC pursuant to this Section 9.8. Notwithstanding anything to the contrary in the Lease or this First Amendment, the cost for Excess HVAC for the Expansion Space shall not exceed Landlord's reasonable cost thereof, which shall only

include the actual cost of utilities charged by the 3rd-party utility provider, plus a reasonable allowance for accelerated depreciation and additional maintenance for the Building HVAC systems as a result of the Excess HVAC used by Tenant in the Expansion Space. For the avoidance of doubt, in no event shall charges for Excess HVAC include an administrative, supervision or other like fee. As of the date of this Lease, Landlord's cost for the Expansion Space Excess HVAC (and the after-hours charge to Tenant for Excess HVAC) is $43.12 per hour, subject to changes in Landlord's actual costs for providing Excess HVAC (which shall be substantiated in writing to Tenant).

Landlord and Tenant acknowledge the existence, as of the date hereof, of a supplemental HVAC unit located above the ceiling in the Expansion Space that was used by former occupants of the Expansion Space but not removed. Tenant shall remove the supplemental HVAC unit as part of the construction of the Improvements, the cost of which Tenant may charge against the HVAC Restoration Allowance (as defined in Exhibit B attached to this First Amendment).

9.9 Internal Staircase. Subject to Landlord's approval of the final Plans and Specifications (as defined in Exhibit B), Tenant shall have the right but not the obligation to construct an internal staircase connecting the Existing Premises with the Expansion Space. If constructed, the staircase shall be subject to the terms of Section 7.1(c) of the Original Lease.

10. Base Year. The Base Year for the Expansion Space shall be calendar year 2013. Tenant shall have no obligation to pay Operating Expenses for the Expansion Space during the period beginning on the Expansion Date and continuing for twelve months thereafter. For the avoidance of doubt, the Expense Cap under Section 4.2 of the Lease shall also apply to the Expansion Space (in addition to the Existing Premises).

11. Acceptance of Expansion Space. Subject to the terms and conditions of this First Amendment (including, without limitation, Landlord's covenants, representations and warranties), Tenant has made its own inspection of and inquiries regarding the Expansion Space, which is already improved. Therefore, subject to the terms and conditions of this First Amendment (including, without limitation, Landlord's covenants, representations and warranties), Tenant accepts the Expansion Space in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Expansion Space for the purposes intended by Tenant except as set forth in this First Amendment.

12. Warranty of Authority. If Landlord or Tenant signs as a corporation or limited liability company or a partnership, each of the persons executing this First Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the applicable entity executing herein below is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this First Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this First Amendment.

13. Broker Representation. Landlord and Tenant represent to one another that it has dealt with no broker in connection with this First Amendment other than Douglas Emmett Management, LLC and CB Richard Ellis. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this First Amendment.

14. Confidentiality. Landlord and Tenant agree that the covenants and provisions of this First Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, which permitted disclosure shall include, but not be limited to, the board members, legal counsel and/or accountants of either Landlord or Tenant.

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

15. Governing Law. The provisions of this First Amendment shall be governed by the laws of the State of California.

16. Reaffirmation. Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

17. Submission of Document. No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Expansion Space, as contemplated under this Amendment, until both Landlord and Tenant have executed and delivered this First Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this First Amendment. The submission of this First Amendment to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for the Tenant to lease the Expansion Space, or otherwise create any interest by Tenant in the Expansion Space or any other portion of the Building other than the original Existing Premises currently occupied by Tenant. Execution of this First Amendment by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Amendment to Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document, effective the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2008, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 8/22/2012

TENANT:

BLACKLINE SYSTEMS, INC.,
a California corporation

By: /s/ Mario Spanicciati
Name: Mario Spanicciati
Title: EVP, Operations

Dated: 08/15/2012

EXHIBIT A – EXPANSION SPACE PLAN

Suite 1100 at 21300 Victory Boulevard, Woodland Hills, California 91367

Rentable Area: approximately 9,271 square feet
Usable Area: approximately 7,836 square feet
[Subject to the terms of Section 4 of the First Amendment]

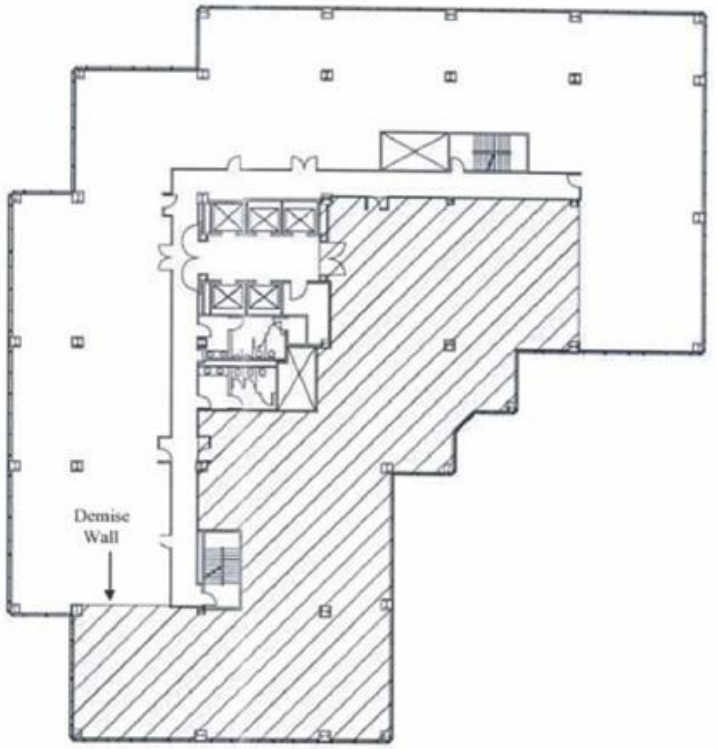


EXHIBIT B

IMPROVEMENT CONSTRUCTION AGREEMENT
CONSTRUCTION PERFORMED BY TENANT

Section 1. Tenant to Complete Construction. Tenant's general contractor ("**Contractor**") shall furnish and install within the Expansion Space, and, at Tenant's sole option, the Existing Premises (it being expressly understood that Tenant may use the Allowance and Space Planning Allowance for either or both of the Expansion Space and/or Existing Premises) those items of general construction (the "**Improvements**"), shown on the final Plans and Specifications approved by Landlord. The definition of "Improvements" shall include all costs associated with completing the Improvements in accordance with applicable law, including but not limited to, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees, plan check and permit costs, and document development and/or reproduction. The Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; (iii) building material manufacturer's specifications and (iv) the Plans and Specifications.

All Tenant selections of finishes shall be indicated in the Plans and Specifications and shall be equal to or better than the minimum Building standards and specifications. Any work not shown in the Plans and Specifications or included in the Improvements such as, but not limited to, telephone service, furnishings, or cabinetry, for which Tenant contracts separately shall be subject to Landlord's reasonable, non-discriminatory policies and shall be conducted in such a way as to not unreasonably hinder or delay the work of Improvements. Subject to Landlord's approval of the final Plans and Specifications, Tenant shall have the right but not the obligation to construct an internal staircase connecting the Existing Premises with the Expansion Space. If constructed, the staircase shall be subject to the terms of Section 7.1(c) of the Original Lease.

1.1 Demise Work. Tenant's Contractor shall (and Tenant may use the Allowance and Space Planning Allowance, or any part thereof, for the following):

(a) Demise the Expansion Space by erecting a demising wall separating the Expansion Space from the remaining space on the 11th floor in accordance with the Plans and Specifications;

(b) Complete all work reasonably necessary to split the Building's systems so as to have functioning Building systems in the Expansion Space, including without limitation, the HVAC, life-safety and electrical systems in the Expansion Space (the "**Systems**"); and

(c) Subsequently reconnect all existing electrical, life-safety and HVAC ducting to the Expansion Space, all in accordance with Tenant's Plans and Specifications (collectively, the "**Demising Work**").

Except as provided in Section 1.1 (c), which shall be paid entirely by Tenant, Landlord and Tenant shall each pay fifty percent (50%) of the costs for the Demising Work, and Tenant may use available amounts of the Allowance and Space Planning Allowance to pay its share. If Tenant requests that a portion of the Allowance or Space Planning Allowance be applied to its share of the Demising Work costs, then Tenant shall include such request in its disbursement request under Section 5, below. With respect to Landlord's share of the Demising Work costs. Tenant shall submit to Landlord (i) a request for payment approved by Tenant detailing the work completed; (ii) invoices from the Contractor and its subcontractors and suppliers for labor rendered and materials for the Demising Work; and (iii) mechanic's lien releases from all of Tenant's Agents performing the Demising Work conforming to California law. Landlord shall disburse to Tenant, in addition to the Allowance and Space Planning Allowance, Landlord's share of the Demising Work costs upon receipt of the foregoing. Notwithstanding anything to the contrary herein, in no event shall Tenant be required to reconnect any mechanical systems, and, with respect to the side of the demising wall not in the Expansion Space, Tenant shall only be required to have such side of the wall contain studs and, without limiting the foregoing, shall not have any obligation to install drywall on the side of the wall not in the Expansion Space.

Section 2. Tenant's Payment of Costs. Subject to Landlord's reimbursement as specified hereinbelow, Tenant shall bear any and all costs of the Improvements, and shall timely pay said costs directly to the Contractor. From time to time, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full for the work completed to-date.

In addition, Tenant shall reimburse Landlord for any and all of Landlord's reasonable third party out of pocket costs not to exceed $[***] actually incurred in reviewing Tenant's Plans and Specifications or for any other "peer review" work associated with Landlord's review of Tenant's Plans and Specifications, including, without limitation, Landlord's reasonable third party out of pocket costs actually incurred in engaging any third party engineers, contractors, consultants or design specialists. Landlord shall engage such third parties only if reasonably necessary and shall explain to Tenant in advance in reasonable detail the need to engage them prior to doing so. Landlord shall also provide a good faith estimate of the cost of such review, the name(s) of the proposed third-party to be engaged, and shall give Tenant a reasonable opportunity to respond and modify any plans. Landlord shall use commercially reasonable efforts to engage the most cost-competitive qualified third parties. Tenant shall pay such costs to Landlord within thirty (30) days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work, up to a maximum aggregate total of $1,000.

Section 3. Lien Waiver and Releases. If any liens arise against the Expansion Space, the Existing Premises or the Building as a result of Tenant's Improvements, Tenant shall immediately, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Expansion Space have been cleared of such liens, as required of Tenant under the Lease.

Section 4. Intentionally Omitted.

Section 5. Landlord's Reimbursement of Tenant's Costs.

5.1 Allowance. In accordance with the terms and procedures specified below, Landlord shall pay to Tenant for the Improvements, an allowance, not to exceed the sum of $32.50 per square foot of Rentable Area within Expansion Space, which shall mean 9,271 square feet, except in the event the demising wall is erected in a location different from that as indicated on Exhibit A attached hereto, or the Expansion Space plan as depicted on Exhibit A is otherwise modified after this First Amendment is executed, and as a result the Rentable Area of the Expansion Space is increased or decreased, in which case the Allowance (and Space Planning Allowance) shall be calculated as provided in Section 4 of this First Amendment (the "**Allowance**"). In addition to the Allowance and not a part of the Allowance, Landlord shall (a) reimburse Tenant an amount, not to exceed the sum of $0.15 per square foot of Usable Area within Expansion Space, for architectural services and space planning (the "**Space Planning Allowance**"); (b) an amount not to exceed $1,920.00 for the removal of a supplemental HVAC system above the Expansion Space ceiling and disconnection of the fire life safety component connected thereto, if reasonably necessary or required by applicable law (the "**HVAC Restoration Allowance**"); and an amount not to exceed $520.00 for the removal of a cabling and wiring above the Expansion Space ceiling (the "**Cabling Restoration Allowance**"). The HVAC Restoration Allowance and the Cabling Restoration Allowance each shall be separate allowances for reimbursements for the individual purposes intended and may not be comingled with the Allowance or Space Planning Allowance (and the HVAC Restoration Allowance and the Cabling Restoration Allowance may not be comingled). The removal of the supplemental HVAC and the cabling and wiring shall be performed in good workmanlike manner and Tenant shall repair any damage caused by such removal. Notwithstanding the maximum amounts of the HVAC Restoration Allowance and the Cabling Restoration Allowance referred to above, if Tenant's Contractor engages Landlord's preferred subcontractors for the HVAC and cabling restoration work, and if the costs for the HVAC restoration and cabling restoration work exceeds the HVAC Restoration Allowance and/or the Cabling Restoration Allowance, respectively, Landlord shall pay such excess costs by funding the excess amount to either or both the HVAC Restoration Allowance and the Cabling Restoration Allowance. Landlord's preferred subcontractors are as follows: Southland Electrical Contractors (cabling restoration work); MK Heating & Air Inc. (HVAC restoration work); and Chubb Fire and Safety Inc. (fire life safety disconnection related to HVAC restoration, if necessary).

The Allowance, Space Planning Allowance, HVAC Restoration Allowance and the Cabling Restoration Allowance shall be available for disbursement to the Tenant through December 31, 2013 (which date shall be extended day-for-day for each day the Expansion Date is extended beyond December 27, 2012, if any, in accordance with the terms of this First Amendment) (the "**Outside Allowance Date**") and thereafter Landlord shall have no obligation to disburse any portions of the Allowance, Space Planning Allowance, the HVAC Restoration Allowance or the Cabling Restoration Allowance, provided, however, that if Tenant has complied with all of the conditions precedent required for disbursement of the Allowance, Space Planning Allowance, the HVAC Restoration Allowance and the Cabling Restoration Allowance, as applicable, prior to the Outside Allowance Date but Landlord has not yet disbursed such the amount requested then, subject to Tenant's compliance with the terms and conditions of this Exhibit B, Tenant shall be entitled to such disbursement. Landlord shall deliver written notice to Tenant not later than thirty (30) days prior to the Outside Allowance Date if at such time there is a balance remaining in the amount of the Allowance, Space Planning Allowance, the HVAC Restoration Allowance and the Cabling Restoration Allowance available for use by Tenant. The Outside Allowance Date shall be extended day for day for each day Landlord fails to give such notice.

5.2 Use of the Allowance.

5.2.1 Allowance Items. Except as otherwise set forth in this Exhibit B, the Allowance and Space Planning Allowance shall be disbursed by Landlord only for the following items and costs (collectively, the "Allowance Items"):

5.2.1.1 Payment of any space planning or architectural services fees and costs not to exceed $4.00 per square foot of Usable Area in the Expansion Space;

5.2.1.2 The payment of plan check permit and license fees relating to construction of the Improvements;

5.2.1.3 The costs of construction of the Improvements, including without limitation, the Demise Work, testing and inspection costs, installation of built-in work stations, floor loading reinforcement costs, hoisting and trash removal costs, and contractors' fees and general conditions, provided that the Allowance, Space Planning Allowance, the HVAC Restoration Allowance or the Cabling Restoration Allowance, may not be applied to the purchase of furniture or equipment or cabling or wiring or any other personal property except as set forth herein. For the avoidance of doubt, the Allowance and Space Planning Allowance may be used by Tenant for either or both of the Existing Premises and/or the Expansion Space, the HVAC Restoration Allowance may be used solely for removal of the supplemental HVAC unit above the ceiling in the Expansion Space and the Cabling Restoration Allowance may be used solely for removal of the cabling and wiring above the ceiling in the Expansion Space;

5.2.1.4 The cost of any changes in the base, shell and core when such changes are required solely by the Plans and Specifications, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

5.2.1.5 The cost of any changes to the Plans and Specifications or the Improvements required by all applicable building codes, subject to Landlord's obligations under the Lease and this First Amendment;

5.2.1.6 An amount up to $8.00 per square foot of Rentable Area in the Expansion Space for the purchase and/or installation of furniture, fixtures, equipment or cabling in the Expansion Space (including any work required to cause the supplemental HVAC units referred to in Section 9.8 of the First Amendment to be operational) (collectively, the "FF&E Items");

5.2.1.7 The costs of purchase and installation of supplemental HVAC units, equipment and/or systems; and 5.2.1.8 Payment of any fees and costs to approved "Tenant's Agents," as defined below in Section 6 (b).

5.2.2 Disbursement of the Allowance. During the construction of the Improvements, Tenant may request and Landlord shall make monthly disbursements of the Allowance, Space Planning Allowance, the HVAC Restoration Allowance or the Cabling Restoration Allowance for the Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

5.2.2.1 **Disbursements**. Tenant may request monthly progress payments out of the Allowance and Space Planning Allowance in accordance with this Section 5.2.2.1. In connection with the foregoing, and not more than once each calendar month, Tenant shall deliver to Landlord: (i) a request for payment approved by Tenant detailing the work completed; (ii) invoices from the Contractor and its subcontractors and suppliers for labor rendered and materials delivered to the Expansion Space and, if applicable, the Existing Premises; and (iii) conditional mechanic's lien releases from all of Tenant's Agents performing the Improvements for which the applicable payment is requested which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 3262(d). Within thirty (30) days after Landlord has received all of the items in the foregoing clauses (i) through (iii), Landlord shall deliver a check to Tenant payable to Tenant, or, at Tenant's sole election, a check payable jointly to Tenant and Contractor in payment of the lesser of: (A) the amounts so requested by Tenant, less an amount, to the extent not already reflected in Tenant's request for payment as the retention provided for in the construction contract, equal to the lesser of (i) a ten percent (10%) retention, or (ii) the retention provided for in the construction contract approved by Landlord (the aggregate amount of such retentions to be known as the "Final Retention"), and (B) the balance of any remaining available portion of the Allowance and Space Planning Allowance, not including the Final Retention. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request. No retention shall be required for the HVAC Restoration Allowance or the Cabling Restoration Allowance as it is anticipated that there shall be only one disbursement for each.

5.2.2.2 **Final Retention**. Subject to the provisions of this Exhibit B, a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord properly executed mechanics lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4), (ii) Landlord has reasonably determined that no substandard work exists which materially adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building, and (iii) Tenant delivers to Landlord a certificate from the Architect or Contractor, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Expansion Space has been substantially completed.

5.2.2.3 **Other Terms**. Landlord shall only be obligated to make disbursements from the Allowance and Space Planning Allowance to the extent costs are incurred by Tenant for the Allowance Items, and Landlord shall only be obligated to make disbursements from the HVAC Restoration Allowance or the Cabling Restoration Allowance to the extent costs are incurred by Tenant for the permitted purposes for each.

5.3 Notwithstanding anything to the contrary in the Lease or this First Amendment, Landlord agrees to pay, at its sole cost and expense, and not from the Allowance, Space Planning Allowance, HVAC Restoration Allowance or the Cabling Restoration Allowance, any increased costs in the performance of the Improvements to the extent resulting from any of the following (each, a "**Landlord TI Event**"): (a) required remediation of Hazardous Materials (such as, by way of example, asbestos or mold), present in the Expansion Space or Building as of the Delivery Date, or (b) violation of any applicable law, code, rule, regulation or ordinance existing in the Building or Expansion Space, on an "as-is" and unoccupied basis, as of the date of this First Amendment, excluding any of the Improvements to be constructed, or modifications to the Expansion Space required by applicable law in connection with the installation of the Improvements to be constructed in the Expansion Space by Tenant, such as but not limited to exiting modifications

due to the configuration of the Expansion Space as built out by Tenant or fire life safety requirements and improvements required by applicable law for the Expansion Space, or (c) any construction or design defect in the Premises or Building that is known by Landlord as of the date hereof, but that would not be reasonably discoverable by Tenant or its consultants upon a reasonable inspection, and, based on the information known to Landlord as of the date hereof, would reasonably be expected to materially delay or increase the cost (or change the scope) of the performance of the Improvements. The Contractor shall perform, at Landlord's sole cost and expense (and not from the Allowance, Space Planning Allowance, HVAC Restoration Allowance and the Cabling Restoration Allowance), provided such costs shall be commercially reasonable, all reasonable work to the extent reasonably necessary relating to each Landlord TI Event affecting the Improvements (or any portion thereof (subject to Landlord's prior review of the written plans and written bids therefor in reasonable detail), and Landlord shall timely and promptly pay the Contractor directly for such work within thirty (30) days after invoicing.

Section 6. Retention of Professionals; Pre-Construction Requirements and Approvals. Prior to Tenant or Contractor commencing any work:

(a) Tenant shall retain an architect/space planner, subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed (the "Architect"), and which approval shall be deemed granted unless Landlord provides a reasonable disapproval prior to the third (3rd) business day after receipt by Landlord of Tenant's proposed Architect. Notwithstanding anything to the contrary herein, Tenant may, at Tenant's sole option, and without the need for approval by Landlord, use Wolcott as the Architect. The Architect shall prepare the Space Plan.

(b) Contractor, and its subcontractors and suppliers, shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall deliver to Landlord notice of its proposed Contractor not later than ten (10) business days after the mutual execution of this First Amendment, and Landlord shall approve or reject the same within three (3) business days after the receipt of notice of Tenant's proposed Contractor provided that such approval shall be deemed granted unless Landlord provides a reasonable disapproval prior to the third (3rd) business day after the receipt of notice of Tenant's proposed Contractor. Notwithstanding anything to the contrary herein, Tenant may, at Tenant's sole option, and without the need for approval by Landlord, use Pinnacle as the Contractor. Contractor shall provide Landlord with a true, complete and correct copy of the construction contract between Contractor and Tenant. So long as the same are reasonably cost competitive, Contractor shall use Landlord's preferred fire-life safety and heating, venting, air-conditioning subcontractors for such work. All subcontractors, laborers, materialmen, and suppliers, and the Contractor, Architect and Engineers shall be known collectively as "Tenant's Agents". During completion of the Improvements, Tenant and Tenant's Agents shall use commercially reasonable efforts avoid creating disputes or conflicts between any labor personnel hired by Tenant or Tenant's Agents and unionized workforce or trades engaged in performing other work, labor or services in or about the Building or in the vicinity. If any dispute or conflict occurs, Tenant, upon demand by Landlord, shall attempt to resolve such dispute or conflict. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Expansion Space by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of the Improvements and any other improvements, fixtures and/or equipment in, on, upon or about the Expansion Space. Notwithstanding the foregoing or anything to the contrary in this First Amendment or the Lease, Tenant shall have no obligation whatsoever to use union labor (or any other labor subject to a collective bargaining agreement).

(c) All Plans and Specifications shall be subject to Landlord's reasonable prior approval, which approval shall not be unreasonably withheld or delayed and shall be deemed granted if Landlord does not reasonably disapprove the Plans and Specifications within five (5) business days of receipt of such Plans and Specifications from Tenant. Notwithstanding anything contained in this Exhibit B to the contrary, and without limiting Landlord's reasonable discretion to withhold its approval hereunder, it shall be deemed reasonable for Landlord to deny

its consent to any aspect of the Plans and Specifications that (i) adversely affect Building systems, the structure of the Building or the safety of the Building and/or its occupants, (ii) would violate any applicable governmental laws, rules or ordinances; (iii) would require any changes that adversely impact the base, shell and core of the Building, and/or (iv) are inconsistent with the standards of first class office buildings in the vicinity of the Building, as reasonably determined by Landlord and the Contractor. Landlord shall provide a written statement of any disapproval of any Plans and Specifications stating the reasons for Landlord's disapproval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Plans and Specifications as set forth in this Section 6, shall be for its sole purpose and shall not imply Landlord's approval of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Plans and Specifications are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Tenant agrees that Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Plans and Specifications. After the mutual execution and delivery of this First Amendment by Landlord and Tenant, Tenant shall promptly cause the Architect to complete the architectural and engineering drawings for the Expansion Space, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Plans and Specifications") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed granted unless Landlord provides a written reasonable disapproval thereof to Tenant within five (5) business days after Landlord's receipt of the Plans and Specifications. Tenant shall supply Landlord with two (2) copies certified by the Architect of such Plans and Specifications. If reasonably and timely requested by Landlord, Tenant shall revise the Plans and Specifications in accordance with such review and any disapproval of Landlord in connection therewith. The Plans and Specifications must be approved (which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall be deemed granted as set forth herein) by Landlord prior to the commencement of construction of the Expansion Space by Tenant. Concurrently with Tenant's submittal of the Plans and Specifications to Landlord for its approval hereunder, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits (provided that such submission shall be at Tenant's sole risk and shall not alter or modify Landlord's right to reasonably approve the Plans and Specifications in accordance with the terms hereof). Tenant hereby agrees that, subject to the terms and conditions of this Exhibit B, neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or their substantial equivalent) for the Expansion Space and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy at no material cost to Landlord. No material changes, modifications or alterations in the Plans and Specifications may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld or delayed and shall be deemed granted unless Landlord delivers a written reasonable disapproval thereof to Tenant within five (5) business days following submission by Tenant.

(d) Prior to the commencement of the construction of the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the construction contract with Contractor. Such breakdown shall include Contractor's overhead, profit, and an administration fee equal to one percent (1%) of the Used Allowance (defined below), which shall be deducted from the Allowance and disbursed to Landlord's managing agent to defray said agent's costs for supervision of the construction, review of the Plans and Specifications by Landlord's in-house staff and all other in-house costs incurred by Landlord with respect to the Improvements. The "Used Allowance" is defined as the portion of the Allowance (excluding the Space Planning Allowance, the HVAC Restoration Allowance or the Cabling Restoration Allowance for the calculation of this fee) actually spent by Tenant on hard costs for the Improvements, specifically not including, without limitation, any soft costs or amounts spent on FF&E Items. Notwithstanding anything to the contrary in this First Amendment or the Lease, Landlord shall not be entitled to any other fees or charges in connection with the Improvements except as otherwise provided in this Exhibit B.

(e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance as required by Landlord's Building manager (which requirements shall be delivered to Tenant in writing on or before this First Amendment is fully executed).

(f) Landlord and Tenant agree that if the Improvements are actually constructed by Tenant's Contractor at a cost which is less than the Allowance or Space Planning Allowance, or if the supplemental HVAC removal is performed at a cost which is less than the HVAC Restoration Allowance or if the cabling and wiring removal is performed at a cost which is less than the Cabling Restoration Allowance, there shall be no monetary adjustment between Landlord and Tenant or offset against Rent or other sums owed by Tenant to Landlord under the Lease and the entire cost savings shall be retained by Landlord and relinquished by Tenant.

Section 7. Landlord's Administration of Construction. Tenant's Contractor and its subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision. Landlord shall provide the Contractor and its subcontractors free parking in the Building parking facility and reasonable access to the Building, the Building parking facilities, the Existing Premises and the Expansion Space twenty-four (24) hours per day, seven (7) days per week, provided that Tenant and its contractors schedule such access in advance as may be reasonably requested by the Building's property manager, so as to timely complete the Improvements; reasonable use of the freight elevators and loading docks for the movement of Contractor's and its subcontractor's materials and laborers free of charge. Landlord shall not charge Tenant for Contractor's and subcontractors' parking, elevator use, utilities or HVAC during construction of the Improvements and while such Contractor and subcontractors are performing the Improvements. Tenant's subcontractors shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's subcontractors of any changes which are necessary thereto, and Tenant's subcontractors shall substantially adhere to such corrected schedule. Tenant shall abide by all reasonable, non-discriminatory rules made by Landlord's Building manager with respect to the storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Exhibit B. From time to time during the construction of the Improvements Tenant shall, promptly upon reasonable request from Landlord, provide reasonable progress reports to Landlord regarding the progress of the preparation of plans and specifications and the construction of the Improvements. In addition, Landlord shall have the right to inquire of Tenant from time to time regarding meetings to be held between Tenant, the Architect and the Contractor, and shall have the right to attend any such meetings. Further, Landlord shall have the right to require Tenant, Architect and the Contractor to meet with Landlord to discuss the progress of the preparation of plans and specifications and the construction of the Improvements, as deemed reasonably necessary by Landlord.

Section 8. Fixed Date for Expansion Date. Tenant acknowledges and agrees that whether or not Tenant has completed construction of the Improvements, the Expansion Date shall be as set forth in Section 3 of the First Amendment.

Section 9. Compliance with Construction Policies. During construction of the Improvements, Tenant's Contractor shall adhere to the Construction Policies specified hereinbelow, which represent Landlord's minimum requirements for completion of the Improvements.

CONSTRUCTION POLICIES

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

Section 10. Administration.

(a) Contractors to notify Building Office prior to starting any work. No exceptions. All jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.

(b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.

(c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.

(d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.

(e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:

(i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet should also include the location of any fire dampers.

(ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.

(f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.

(g) The general contractor must provide for the removal of all trash and debris arising during the course of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.

(h) Contractors will include in their proposals all costs to include: additional security (if required), restoration of carpets, etc.

Section 11. Building Facilities Coordination.

(a) All deliveries of material will be made through the parking lot entrance.

(b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.

(c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

Section 12. Housekeeping.

(a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.

(b) All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:

i) Mylar — Extra heavy-duty to be taped from the freight elevator to the suite under construction.

ii) Masonite —1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.

(c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.

(d) Food and related lunch debris are not to be left in the suite under construction.

(e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

Section 13. Construction Requirements.

(a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e., tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.

(b) Electric panel schedules must be brought up to date identifying all new circuits added.

(c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.

(d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.

(e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.

(f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.

(g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

(h) All core drilling is not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

(i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:

i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.

ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.

iii) The Building Engineer will inspect the construction on a periodic basis as well.

(j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor during the course of construction and not remedied within the notice and cure periods set forth in the Lease, shall be deducted from Tenant's Allowance.

LANDLORD:

DOUGLAS EMMETT 2008, LLC,
a Delaware limited liability company

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 8/22/2012

TENANT:

BLACKLINE SYSTEMS, INC.,
a California corporation

By: /s/ Mario Spanicciati
Name: Mario Spanicciati
Title: EVP, Operations

Dated: 08/15/2012

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

SECOND AMENDMENT TO OFFICE LEASE

This Second Amendment to Office Lease (the **"Second Amendment"**), dated December 26, 2013, is made by and between DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company (**"Landlord"**), and BLACKLINE SYSTEMS, INC., a California corporation (**"Tenant"**).

WHEREAS,

A. Landlord, pursuant to the provisions of that certain Office Lease, dated November 22, 2010, a certain Memorandum of Lease Term Dates and Rent dated April 21, 2011, a certain First Amendment to Office Lease dated August 14, 2012 (collectively, the **"Lease"**), leased to Tenant and Tenant leased from Landlord space in the property located at 21300 Victory Boulevard, Woodland Hills, California 91367 (the "**Building**"), commonly known as Suite 1100 and Suite 1200 (the "**Existing Premises**"); and

B. Tenant wishes to expand its occupancy within the Building to include a short-term lease of additional office space in the Building on the eleventh floor of the Building (the "**Expansion Premises**"), which Expansion Premises is shown on Exhibit A and is designated as Suite 1150.

Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. Confirmation **of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Second Amendment.

2. **Lease Term for Expansion Premises; Holdover.** The lease term for the Expansion Premises ("**Expansion Premises Term**") shall commence on February 1, 2014 (the "**Expansion Premises Commencement Date**"), and shall continue through and including 11:59 p.m. on July 31, 2014 (the "**Expansion Premises Termination Date**"). Notwithstanding any contrary provision of the Lease with respect to Tenant's holding over in the Existing Premises, solely with respect to the Expansion Premises, if Tenant fails to deliver possession of the Premises on the Expansion Premises Termination Date, and holds over in the Expansion Premises, then such tenancy shall be construed as a month-to-month tenancy on the same terms and conditions as are contained herein, and the Fixed Monthly Rent payable by Tenant during such period of holding (but not to extend after October 31, 2014), shall be equal to one hundred percent (100%) of the Fixed Monthly Rent payable by Tenant for July 2014. If Tenant continues to holdover in the Expansion Premises after October 31, 2014, with or without Landlord's consent, then the terms of Section 2.2 of the Lease shall apply to such holding over.

3. **Delivery Date.** Landlord shall deliver exclusive possession of the Expansion Premises to Tenant, in broom-clean condition and free of any tenancies on the earlier of December 31, 2013 or the next business day after (i) the mutual execution of this Second Amendment by Landlord and Tenant and (ii) payment to Landlord of all funds due to be paid by Tenant upon execution of this Second Amendment; and (iii) delivery of written evidence to Landlord of the insurance covering the Expansion Premises required to be procured and maintained by Tenant under Section 19.2 of the Lease (the "**Delivery Date**"). Tenant's occupancy of the Expansion Premises from and after the Delivery Date and prior to the Expansion Premises Commencement Date (the **"Access Period"**) shall be upon all of the terms and conditions of the Lease, as amended (including insurance coverage), except that during the Access Period Tenant shall not be obligated to pay Fixed Monthly Rent or Additional Rent for the Expansion Premises, or HVAC, janitorial, parking charges (except such parking charges as are due under the Lease with respect to the Existing Premises) during Normal Business Hours for the Expansion Premises until the Expansion Premises Commencement Date, provided that during the Access Period Tenant shall pay for Excess HVAC in accordance with the Lease, and any above-standard janitorial services or other above-standard services. Except as otherwise set forth in this Second Amendment, Landlord shall deliver the Expansion Premises to Tenant, and Tenant shall accept the Expansion Premises, in its "as-is" condition, subject to Landlord's obligations under the Lease and this Second Amendment, and subject to any latent defects of

which Tenant notifies Landlord in writing within six (6) months after the Delivery Date, and subject to the following representations and warranties by Landlord as of the Delivery Date: (a) the Building and mechanical systems serving the Expansion Premises shall be in proper working order and repair; (b) the Building systems serving the Expansion Premises shall provide electrical and HVAC capacity for standard office use consistent with Class A buildings in the Woodland Hills Area, provided that (i) occupancy in the Expansion Premises is, on average, no more than one (1) person for every 200 square feet of Usable Area in the Expansion Premises and (ii) Tenant does not use in the Expansion Premises any above-standard equipment that, in the aggregate with Tenant's other electrical equipment in the Expansion Premises, consumes above-standard levels of electricity or otherwise overloads the Building's electrical systems or creates any safety hazards. If possession of the Expansion Premises is not delivered by Landlord to Tenant in accordance with the terms and conditions of this Second Amendment within five (5) business days after the Delivery Date, then Tenant shall have the right to terminate this Second Amendment by giving written notice to Landlord within ten (10) business days after such failure. Landlord shall have three (3) days after receipt of such notice to cure such failure and, if Landlord has not cured the matter within such time period, this Second Amendment shall terminate upon a second (2nd) written notice from Tenant after such failure to cure. If such notice of termination is not so given by Tenant within said ten (10) business day time period, then this Second Amendment shall continue in full force and effect.

SECOND AMENDMENT TO OFFICE LEASE (continued)

4. **Expansion of Premises.** Landlord and Tenant hereby stipulate that the Expansion Premises contains approximately 4,487 square feet of Rentable Area and approximately 3,793 square feet of Usable Area (which is in accordance with BOMA 2010). As of the Expansion Premises Commencement Date, during the Expansion Premises Term, the definition of the Premises shall be revised to include both the Existing Premises and the Expansion Premises, and wherever in the Lease the word "Premises" is found, it shall thereafter refer to both the Existing Premises and the Expansion Premises together, as if the same had been originally included in said Lease, subject to the terms and conditions of this Second Amendment.

5. **Fixed Monthly Rent; No Operating Expenses.** Commencing on the Expansion Premises Commencement Date, and continuing through the Expansion Premises Termination Date, the Fixed Monthly Rent payable by Tenant for the Expansion Premises shall be $[***] per month.

Concurrent with Tenant's execution and delivery to Landlord of this Second Amendment, Tenant shall pay to Landlord the Fixed Monthly Rent due for the Expansion Premises for February 2014.

For the avoidance of doubt, Operating Expenses shall not be payable with respect to the Expansion Premises (and Tenant's Share shall remain as set forth in the original Lease and shall not be increased in connection with this Expansion Premises and/or this Second Amendment).

6. **Security Deposit.** No Security Deposit and/or letter of credit shall be required in connection with this Second Amendment.

7. **Parking.** Throughout the Expansion Premises Term, with respect to the Expansion Premises, Tenant shall have the right but not the obligation to purchase up to eighteen (18) unreserved parking permits. Commencing on the Expansion Premises Commencement Date and continuing through the Expansion Premises Termination Date, Tenant shall be granted a fifty percent (50%) discount on all parking charges for the above specified allocation of eighteen (18) unreserved permits. Except as modified herein, Tenant's parking rights and obligations shall be as set forth in the Lease, and Tenant's parking rights with respect to the Existing Premises shall not be reduced in any manner.

8. **Acceptance of Expansion Premises.** Subject to the terms and conditions of this Second Amendment and the Lease (including, without limitation, Landlord's covenants, representations and warranties), Tenant has made its own inspection of and inquiries regarding the Expansion Premises, which is already improved. Therefore, subject to the terms and conditions of this Second Amendment and the Lease (including, without limitation, Landlord's covenants, representations and warranties), Tenant accepts the Expansion Premises in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Expansion Premises for the purposes intended by Tenant except as set forth in this Second Amendment or the Lease.

9. **Directory Signage.** Tenant may, in its sole discretion, install building standard signage per a building standard location at the entrance of the Expansion Premises at Tenant's sole cost and expense. If required by applicable law (such as, without limitation, any fire codes or regulation), or otherwise desired by Landlord, Landlord shall, at Landlord's sole cost and expense, install building standard signage per a building standard location at the entrance of the Expansion Premises. During the Expansion Premises Term, Tenant, in its sole and absolute discretion, may elect to place up to an additional four (4) names on the directory board, at Landlord's sole cost and expense, subject to space availability. The signage hereunder shall be in addition, and without limitation, to the signage provided under the Lease.

10. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or limited liability company or a partnership, each of the persons executing this Second Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the applicable entity executing herein below is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Second Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this Second Amendment.

11. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Second Amendment other than Douglas Emmett Management, LLC and CBRE, Inc. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Second Amendment.

12. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Second Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, which permitted disclosure shall include, but not be limited to, the board members, legal counsel and/or accountants of either Landlord or Tenant.

13. **Governing Law.** The provisions of this Second Amendment shall be governed by the laws of the State of California.

14. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

15. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Expansion Premises, as contemplated under this Amendment, until both Landlord and Tenant have executed and delivered this Second Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Second Amendment. The submission of this Second Amendment to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for the Tenant to lease the Expansion Premises, or otherwise create any interest by Tenant in the Expansion Premises or any other portion of the Building other than the original Existing Premises currently occupied by Tenant. Execution of this Second Amendment by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Second Amendment to Tenant.

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document, effective the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2008, LLC, a Delaware limited liability corporation
company

By: Douglas Emmett Management, Inc.,
a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: December 30, 2013

TENANT:

BLACKLINE SYSTEMS, INC., a California

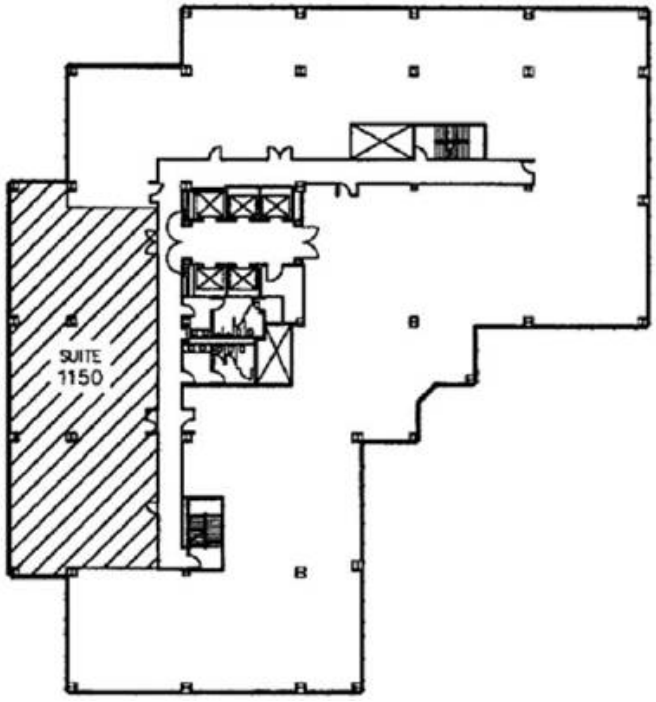
By: /s/ Charles Best
Name: Charles Best
Title: CFO

Dated: December 30, 2013

EXHIBIT A – EXPANSION PREMISES PLAN

Suite 1150 at 21300 Victory Boulevard, Woodland Hills, California 91367

Rentable Area: approximately 4,487 square feet
Usable Area: approximately 3,793 square feet



December 26, 2013

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

THIRD AMENDMENT TO OFFICE LEASE

This Third Amendment to Office Lease (the "**Third Amendment**"), dated June 24, 2014, is made by and between DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company ("**Landlord**"), and BLACKLINE SYSTEMS, INC., a California corporation ("**Tenant**").

WHEREAS,

A. Landlord, pursuant to the provisions of that certain Office Lease, dated November 22, 2010 and a certain Memorandum of Lease Term Dates and Rent dated April 21, 2011 (the "**Original Memorandum**"**,** and collectively, the "**Original Lease**"); as amended by a certain First Amendment to Office Lease dated August 14, 2012 (the "**First Amendment**"); and as further amended by a certain Second Amendment to Office Lease dated December 26, 2013, pursuant to which Tenant leased Suite 1150 (the "**Second Amendment**" and together with the Original Lease and the First Amendment, the "**Lease**"), leased to Tenant and Tenant leased from Landlord space in the property located at 21300 Victory Boulevard, Woodland Hills, California 91367 (the "**Building**"), commonly known as Suite 1100 and Suite 1200 (and Suites 1100 and 1200 shall be referred to herein as the "**Existing Premises**");

B. Tenant wishes to expand its occupancy within the Building to include a lease of the Expansion Premises (as defined below in this Third Amendment);

C. Tenant's short-term lease of Suite 1150 pursuant to the Second Amendment will continue after the expiration of the term of the lease of Suite 1150 on July 31, 2014 upon the terms and conditions specified in Section 2 of the Second Amendment and Section 3 below, and, notwithstanding any contrary provision in the Lease, effective as of the Eleventh Floor Expansion Premises Delivery Date (as defined below), Suite 1150 shall be deemed part of the "Eleventh Floor Expansion Premises" as defined below and shall not comprise any part of the Existing Premises; and

D. The Term of the Lease for the Existing Premises expires at midnight on December 31, 2017, which Term shall be extended as provided in this Third Amendment.

Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Third Amendment.

2. **Existing Premises; Expansion Premises.** As used in this Third Amendment, the "**Tenth Floor Expansion Premises**" shall mean, collectively, Suites 1000, 1050 and 1070 (to be collectively designated as Suite 1000) located on the tenth (10th) floor of the Building, and the "**Eleventh Floor Expansion Premises**" shall mean, collectively, Suites 1150, 1180, 1185, 1190 and 1195 (all of which suites shall be collectively designated as part of Suite 1100) located on the eleventh (11th) floor of the Building. As used in this Third Amendment, the term "**Expansion Premises**" shall mean, collectively, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises. The Expansion Premises are depicted on Exhibit A attached hereto and made a part hereof by this reference. Upon the occurrence of the Expansion Premises Commencement Dates (as defined in Section 5 below), the defined "Premises" shall consist of the following:

	Square Feet of Rentable Area	Square Feet of Usable Area	Tenant's Share
Existing Premises			
Suites 1100 and 1200	31,338	27,983	12.61%
Expansion Premises			
Tenth Floor Expansion Premises	22,094	20,171	8.41%
Eleventh Floor Expansion Premises	13,015	10,843	4.88%
Expansion Premises Total	35,109	31,014	13.29%
Premises Total	66,447	58,997	25.90%

The Usable Area of the Expansion Premises is based on the parties' understanding that the Tenant will remove the existing multi-tenant corridors on the tenth (10th) and eleventh (11th) floors at Tenant's sole cost (subject to reimbursement from the Allowance and Space Planning Allowance as defined in Exhibit B attached hereto and hereby incorporated herein by this reference; and, except as otherwise stated in this Third Amendment, all references in this Third Amendment to "Exhibit B" shall mean and refer to said Exhibit B). Landlord represents and warrants that the Usable Area of the Premises has been measured by Stevenson Systems, Inc., an independent planning firm, using the 2010 ANSI/BOMA Standard set forth collectively by the American National Standards Institute and the Building Owners and Managers Association, as a guideline, and that Landlord is utilizing the load factors set forth below to compute the Rentable Area of the Premises (as the defined Premises will be comprised following the last to occur of the Tenth Floor Expansion Premises Commencement Date and the Eleventh Floor Expansion Premises Commencement Date):

	Square Feet of Rentable Area	Square Feet of Usable Area	Load Factor	Tenant's Share
Suite 1000	22,094	20,171	9.535%	9.09%
Suite 1100	22,286	20,176	10.46%	9.09%
Suite 1200	22,067	20,147	9.53%	9.08%
Premises Total	66,447	60,494		27.26%

3. **Extension of Term for the Existing Premises; Extension of Term for Suite 1150.** The Term of the Lease of the Existing Premises is hereby extended from and including January 1, 2018 and shall continue thereafter coterminous with the New Expansion Premises Term (as defined below) through the Termination Date (as defined below in Section 5.1 below).

The term of Tenant's lease of Suite 1150 is hereby extended on a month-to-month basis commencing on August 1, 2014 and continuing through the date immediately prior to the Eleventh Floor Expansion Premises Delivery Date (as defined below) upon the same terms and conditions as are contained in the Second Amendment (except that no holdover rent shall be payable by Tenant for Suite 1150), and, as stated in the Second Amendment, the Fixed Monthly Rent payable by Tenant during such period shall be $[***] per month. Notwithstanding the foregoing or anything to the contrary herein, (a) Landlord shall have no right to terminate the lease of Suite 1150 (except in the event of Landlord's exercise of remedies in accordance with and subject to Article 17 and Article 18 of the Original Lease); (b) Tenant may, at any time after July 31, 2014 (and prior to the Eleventh Floor Expansion Premises Delivery Date), in Tenant's sole and absolute discretion, (i) terminate the existing lease of Suite 1150 by delivering

written notice to Landlord at least five (5) business days prior to the termination date, and (ii) if Tenant exercises its right to terminate the lease of Suite 1150 as set forth in the foregoing clause (i), Tenant shall vacate Suite 1150 not later than the termination date set forth in Tenant's notice and, if Tenant later elects in Tenant's sole and absolute discretion to again lease and occupy Suite 1150 prior to the Eleventh Floor Expansion Premises Delivery Date, then Suite 1150 shall be incorporated in the Lease upon the terms existing as of the date of the date of termination under clause (i) (i.e., the terms set forth in the Second Amendment as modified by this Section 3), by delivering written notice to Landlord at least five (5) business days prior to the date Tenant elects to have Suite 1150 incorporated in the Lease hereunder upon the terms set forth in this Section 3 (without the necessity of further documentation other than the foregoing notice); and (c) upon the Eleventh Floor Expansion Premises Delivery Date, Suite 1150 will become part of the Eleventh Floor Expansion Premises.

4. Contingency for Delivery of Expansion Premises; Anticipated Delivery Dates and New Expansion Premises Term.

4.1 Landlord has represented to Tenant, and hereby represents and warrants to Tenant, as follows (a) Each of the suites comprising the Expansion Premises is currently occupied by tenants pursuant to leases with Landlord; and (b) commencing not later than the date of mutual execution of this Third Amendment, Landlord shall, at Landlord's sole cost and expense, use its diligent best efforts to enforce the surrender provisions of existing leases for the Expansion Premises, relocate certain existing tenants to other space in the Building and/or enter into other agreements requiring the existing tenants to vacate and surrender possession of their premises prior to the anticipated Delivery Dates (as defined in Section 4.2 below) for the Expansion Premises specified in this Section 4 all in order to timely deliver the Expansion Premises to Tenant in the condition required (in all material respects) under this Third Amendment on or before the anticipated Delivery Dates (including, without limitation, by making commercially reasonable relocation payments and concessions to tenants, and having Landlord's contractors work overtime, if necessary). Landlord acknowledges that timing is critical to Tenant in the delivery of the Expansion Premises on or before the anticipated Delivery Dates, and Tenant would not have entered into this Third Amendment but for Landlord's assurances that Landlord would be able to deliver to Tenant exclusive possession of the Expansion Premises, in the condition required herein (in all material respects), by the applicable anticipated Delivery Dates.

If Landlord is unable to deliver possession of the Expansion Premises to Tenant on the anticipated Delivery Dates due to the existing tenants remaining in possession in any of the suites comprising the Expansion Premises, despite Landlord's use of its best efforts to obtain exclusive possession of all of such existing tenants' premises as set forth above, this Third Amendment shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession except as provided in Section 4.3 below.

Landlord shall, at Landlord's sole cost and expense and not as part of the Allowance (as defined in Exhibit B), deliver exclusive possession of the Tenth Floor Expansion Premises and Eleventh Floor Expansion Premises to Tenant in the condition described below in Section 4.2 (in all material respects) so that Tenant may commence the construction of the Improvements (as such term is defined in Exhibit B) on the respective Delivery Dates specified below. Tenant's occupancy of the Expansion Premises from and after the Delivery Dates and prior to the Expansion Premises Commencement Dates (each such period being referred to as an "**Access Period**") shall be upon all of the terms and conditions of the Lease, as amended (including required insurance coverage), except that Tenant shall not be obligated to pay Fixed Monthly Rent or Additional Rent for the Expansion Premises, or, during Normal Business Hours, Building standard HVAC, janitorial or security services for the Expansion Premises until the respective Expansion Premises Commencement Date, provided that during each Access Period Tenant shall pay for Excess HVAC in accordance with the Lease, and any above-standard janitorial or security services voluntarily requested by Tenant. Tenant's contractor parking and other vendor parking and, subject to reasonable advance scheduling, their use of the freight elevator(s), loading docks, hoists and other like items during each Access Period shall be free of charge in connection with work being performed in the Expansion Premises and Existing Premises (with respect to the Improvements). Landlord shall make available reasonably sufficient parking in the Building parking facility for such contractors and vendors. During each Access Period Tenant shall be subject to Landlord's reasonable administrative control and supervision with respect to the Expansion Premises. Tenant shall be entitled to construct the Improvements in the Expansion Premises and Existing Premises in accordance with and subject to

the terms of Exhibit B. Upon delivery, Tenant shall be entitled to possess, occupy, improve and use the entire applicable portion of the Expansion Premises as of the applicable Delivery Date and Tenant shall have no obligation to pay Fixed Monthly Rent or Additional Rent for such Expansion Premises until the applicable Expansion Premises Commencement Date for such Expansion Premises. To Landlord's knowledge, Landlord has received no written notice in effect as of the date of this Third Amendment of any Code or other legal violations relating to the Expansion Premises or Existing Premises, or relating to the Building that would increase the cost of, or time to construct, the Improvements.

4.2 The date that Landlord grants Tenant exclusive possession of the Tenth Floor Expansion Premises, in the condition required in all material respects by this Third Amendment, shall be referred to as the "**Tenth Floor Expansion Premises Delivery Date**" and the date that Landlord grants Tenant exclusive possession of the Eleventh Floor Expansion Premises, in the condition required in all material respects by this Third Amendment, shall be referred to as the "**Eleventh Floor Expansion Premises Delivery Date**" (sometimes referred to individually as a "**Delivery Date**", and collectively as the "**Delivery Dates**"). Each Delivery Date shall not be deemed to have occurred until the applicable Expansion Premises have been delivered to Tenant in the condition required in all material respects under this Third Amendment and Tenant has been granted exclusive possession and access to each suite comprising the applicable floor of the Expansion Premises. The anticipated date for the Tenth Floor Expansion Premises Delivery Date is September 2, 2014, and the anticipated date for the Eleventh Floor Expansion Premises Delivery Date is November 3, 2014. The actual Tenth Floor Expansion Premises Delivery Date and the actual Eleventh Floor Expansion Premises Delivery Date (and the Notice Period Expiration Date and the Early Termination Date, as each such term is defined in Section 11.4), once each is established, shall be documented in a letter prepared by Landlord and executed by Landlord and Tenant promptly after each of the Delivery Dates occurs.

Except as otherwise set forth in this Third Amendment, on each respective Delivery Date Landlord shall, at Landlord's sole cost and expense and not as part of the Allowance (as defined in Exhibit B), deliver the Expansion Premises to Tenant, and Tenant shall accept each of the Expansion Premises, in its "as-is" condition, provided that Landlord shall deliver exclusive possession of each portion of the Expansion Premises to Tenant in accordance with the base building definition attached hereto as Exhibit C, in broom-clean condition and free of any tenancies, subject to Landlord's obligations under the Lease and this Third Amendment, and except for any latent defects of which Tenant notifies Landlord in writing within twelve (12) months after the date of delivery of each of the Expansion Premises to Tenant, and subject to the following representations and warranties by Landlord as of each Delivery Date: (a) the Building and mechanical systems serving the Expansion Premises shall be in proper working order and repair; and (b) the Building systems serving the Expansion Premises shall provide electrical and HVAC capacity for standard office use consistent with Class A buildings in the Woodland Hills Area, provided that (i) occupancy in each floor of the Expansion Premises is, on average, no more than six and one-half (6.50) persons for every 1,000 square feet of Usable Area in the Expansion Premises, and (ii) Tenant does not use in the Expansion Premises any above-standard equipment that, in the aggregate with Tenant's other electrical equipment in the Expansion Premises consumes above-standard levels of electricity or otherwise overloads the Building's electrical systems or creates any safety hazards. Tenant may increase its permissible occupancy density ratio in the Expansion Premises after this Third Amendment is executed from (for each floor) six and one-half (6.50) persons per 1,000 square feet of Usable Area in the Expansion Premises to up to seven and one-half (7.50) persons per 1,000 square feet of Usable Area in the Expansion Premises, on average per floor, as long as Tenant pays for installation of additional VAV boxes, to the extent reasonably necessary as a result of such increase in density to reasonably accommodate the Building systems requirements of the increased density. In such event, Tenant shall deliver notice to Landlord and promptly thereafter Landlord and Tenant shall meet and confer to reasonably agree upon the contractor to perform the work and the plans and specifications for such work.

4.3 Failure to Deliver Expansion Premises By Date Certain.

(a) In the event the Tenth Floor Expansion Premises Delivery Date has not occurred on or before September 2, 2014 for any reason, then, without limiting the following provisions of this Section 4.3(a) or Sections 4.3(b) or 4.3(c) below, Tenant shall receive a day for day abatement of Rent due for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises)

for each day after September 2, 2014 that the Tenth Floor Expansion Premises Delivery Date has not occurred; provided, however, such outside date shall be extended one (1) day for each day the Tenth Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event (defined below); provided further, however, such outside date shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. Without limiting the foregoing, and notwithstanding anything to the contrary in this Third Amendment, in the event the Eleventh Floor Expansion Premises Delivery Date has not occurred on or before November 3, 2014 for any reason, then, without limiting the foregoing provisions of this Section 4.3(a) or Sections 4.3(b) or 4.3(c) below, Tenant shall receive a day for day abatement of Rent due for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises) for each day after November 3, 2014 that the Eleventh Floor Expansion Premises Delivery Date has not occurred provided, however, such outside date shall be extended one (1) day for each day the Eleventh Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event; provided further, however, such outside date shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. Any abatement under this paragraph shall be calculated based on a Rent amount deemed to equal $4,726.95 per day (calculated as of October 2014 for the Existing Premises and as of the first month for each of the Expansion Premises lease terms) and shall immediately be applied to, and offset against, Rent next becoming due and payable under the Lease and shall continue to be applied to, and offset against, Rent due and payable under the Lease until the amount of abatement to which Tenant is entitled under this Section 4.3(a) is exhausted.

(b) Notwithstanding anything to the contrary in this Third Amendment, in the event the Tenth Floor Expansion Premises Delivery Date has not occurred on or before October 2, 2014 for any reason, then, without limiting the following provisions of this Section 4.3(b) or Sections 4.3(a) above or 4.3(c) below, Tenant shall receive abatement of Rent due for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises) in an amount equal to two (2) days of Rent for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises) for each day after October 2, 2014 that the Tenth Floor Expansion Premises Delivery Date has not occurred; provided, however, such outside date shall be extended one (1) day for each day the Tenth Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event; provided further, however, such outside date shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. In the event the Eleventh Floor Expansion Premises Delivery Date has not occurred on or before December 3, 2014 for any reason, then, this Section 4.3(b), or Sections 4.3(a) above or 4.3(c) below, Tenant shall receive abatement of Rent due for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises) in an amount equal to two (2) days of Rent for the entire Premises (including, without limitation, the Existing Premises, the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises) for each day after December 3, 2014 that the Eleventh Floor Expansion Premises Delivery Date has not occurred; provided, however, such outside date shall be extended one (1) day for each day the Eleventh Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event; provided further, however, such outside date shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. Any abatement under this paragraph shall be calculated based on a Rent amount which shall be deemed to equal $9,453.91 as two (2) days of Rent (i.e., $4,726.95 per day x 2) (calculated as of October 2014 for the Existing Premises and as of the first month for each of the Expansion Premises lease terms), and shall immediately be applied to, and offset against, Rent next becoming due and payable under the Lease and shall continue to be applied to, and offset against, Rent due and payable under the Lease until the amount of abatement to which Tenant is entitled under this Section 4.3(b) is exhausted.

(c) Notwithstanding anything to the contrary in this Third Amendment, in the event the Tenth Floor Expansion Premises Delivery Date has not occurred on or before November 2, 2014 for any reason, then, without limiting Sections 4.3(a) or 4.3(b) above, or the following provisions of this Section 4.3(c), Tenant shall have the right, in its sole and absolute discretion, to terminate the entire Lease effective at any time thereafter by delivering written notice thereof to Landlord (provided such notice to Landlord shall specify an effective termination date that is not more than one (1) year after the date Tenant first has the right to terminate the Lease under this paragraph) within ten (10) business days after such right to termination is effective in accordance with the terms hereof; provided,

however, such outside date (i) shall be extended one (1) day for each day the Tenth Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event; and (ii)shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. Notwithstanding the foregoing, Tenant may accelerate the termination date upon delivery of thirty (30) days prior written notice at any time after the original termination notice is delivered.

Without limiting the foregoing, in the event the Eleventh Floor Expansion Premises Delivery Date has not occurred on or before to February 3, 2015 for any reason, then, without limiting the foregoing provisions of this paragraph or Sections 4.3(a) or 4.3(b) above, Tenant shall have the right, in its sole and absolute discretion, to terminate the entire Lease effective at any time thereafter by delivering written notice thereof to Landlord (provided such notice to Landlord shall specify an effective termination date that is not more than one (1) year after the date Tenant first has the right to terminate the Lease under this paragraph) within ten (10) business days after such right to termination is effective in accordance with the terms hereof; provided, however, such outside date (I) shall be extended one (1) day for each day the Eleventh Floor Expansion Premises Delivery Date has not occurred solely as a result of Delivery Force Majeure Event; and (II) shall not be extended more than a maximum aggregate combined total of thirty (30) days as a result of Delivery Force Majeure Event. Notwithstanding the foregoing, Tenant may accelerate the termination date upon delivery of thirty (30) days prior written notice at any time after the original termination notice is delivered.

In the event Tenant exercises either of the above-referenced rights to terminate the Lease, then not later than the termination date, Tenant shall vacate the Premises and surrender legal possession thereof in the condition required under the terms of the Lease, and Tenant and Landlord shall be released from liability for any of their obligations under the Lease, except for such obligations as expressly continue after the expiration or earlier termination of the Lease (including, without limitation, any outstanding amounts of Rent owed to Landlord for the time period on and prior to the termination date). In addition, effective upon the date that Landlord receives a notice of termination pursuant to either of the rights to terminate the Lease, (1) Landlord shall have no obligation to disburse any portion of the Allowance or to remodel the lobby of the Building as specified in Section 11.7 of this Third Amendment, (2) all rights of expansion, first offer and exterior and lobby signage rights shall terminate, and (3) Tenant shall permit Landlord to show the Existing Premises to perspective tenants with reasonable prior notice. Within fifteen (15) business days after the date that Landlord receives a notice of termination pursuant to either of the rights to terminate the Lease, and unless Tenant elects to pay Rent for its occupancy of the Temporary Space as specified below in this clause (c), Tenant shall vacate the Temporary Space in the condition required under this Third Amendment (and if Tenant exercises its right to terminate the Lease after the Tenth Floor Expansion Premises have been delivered, Tenant shall return such possession to Landlord on or before the fifteenth (15th) business day after the date that Landlord receives a notice of termination unless Tenant elects to pay Rent for the Tenth Floor Expansion Premises as specified below in this clause (c)). If Tenant delivers a notice of termination pursuant to this clause (c), and elects to continue its occupancy of the Temporary Space, then commencing on the sixteenth (16th) business day after Tenant delivers the termination notice Tenant shall pay Landlord Fixed Monthly Rent for the Temporary Space at the rate of $2.00 per rentable square foot per month (pro-rated for any partial month of occupancy) through and including the date Tenant surrenders possession of the Temporary Space (which shall be not later than the termination date specified in Tenant's notice). If Tenant delivers a notice of termination pursuant to this clause (c), and if the Tenth Floor Expansion Premises Delivery Date has occurred, and if Tenant elects to continue its occupancy of the Tenth Floor Expansion Premises, then commencing on the sixteenth (16th) business day after Tenant delivers the termination notice Tenant shall pay Landlord Fixed Monthly Rent for the Tenth Floor Expansion Premises at the rate of $2.00 per rentable square foot per month (pro-rated for any partial month of occupancy) through and including the date Tenant surrenders possession of the Tenth Floor Expansion Premises (which shall be not later than the termination date specified in Tenant's notice).

(d) "**Delivery Force Majeure Event**" is defined solely as war, "acts of God" or similar catastrophes (not caused by Landlord or any of the Landlord Parties) and unreasonable delays (not caused by Landlord or any of the Landlord Parties) beyond Landlord's reasonable control, by any governmental authorities that could not have been reasonably anticipated by Landlord (and that were not already built into the contingency in Landlord's construction schedule). In the event of a Delivery Force Majeure Event, Landlord shall use its diligent commercially reasonable efforts to cure the Delivery Force Majeure Event in question, at Landlord, sole cost and expense, as soon as

possible. Inability or unwillingness to perform due to financial considerations shall not be considered Delivery Force Majeure Event under any circumstances. If Landlord claims that a Delivery Force Majeure Event has occurred, Landlord shall, as a condition to receiving an extension of the outside delivery dates specified in Sections 4.3 (a), (b) and (c) above, give written notice to Tenant of the Delivery Force Majeure Event within five (5) business days after Landlord first acquiring knowledge of the Delivery Force Majeure Event specifying in reasonable detail the nature thereof and a reasonable estimate of the period that such incident will delay the applicable Delivery Date. Failure to give such notice within such 5-business day period shall nullify any extension of a Delivery Date with respect to the Delivery Force Majeure Event in question.

5. Expansion Premises Commencement Dates and Terms; Swing Space Lease. The Tenth Floor Expansion Premises Commencement Date and the Eleventh Floor Expansion Premises Commencement Date shall be defined as set forth below in this Section 5 (sometimes referred to individually as an "**Expansion Premises Commencement Date**", and collectively as the "**Expansion Premises Commencement Dates**"). Landlord and Tenant shall promptly execute a memorandum (the "**New Expansion Premises Memorandum**") confirming the fmalized Expansion Premises Commencement Dates, and the Fixed Monthly Rent escalation and rent deferral dates as described in Sections 6.1, 6.2, 6.3, 6.4 and 6.5 below as soon as they are determined. Tenant shall execute the New Expansion Premises Memorandum and return it to Landlord within fifteen (15) business days after receipt thereof. Failure of Tenant to timely execute and deliver the New Expansion Premises Memorandum shall constitute an acknowledgement by Tenant that the statements included in such New Expansion Premises Memorandum are true and correct, absent manifest error.

5.1 Tenth Floor Expansion Premises Commencement Date. The lease of the Tenth Floor Expansion Premises shall commence on the date that is the earlier of (a) the date Tenant occupies any material portion of the Tenth Floor Expansion Premises, and conducts material business therein during such occupancy (in a manner that would otherwise indicate that Tenant has accepted the Tenth Floor Expansion Premises) and (b) the one hundred-fiftieth (150th) day after the Tenth Floor Expansion Premises Delivery Date (the "**Tenth Floor Expansion Premises Commencement Date**") and shall end, unless extended or sooner terminated as otherwise provided herein, at 11:59 p.m. local time on the last calendar day of the calendar month which occurs eight (8) years after the Initial Expansion Premises Commencement Date, as defined in Section 5.2 (the "**Termination Date**"). As of the Tenth Floor Expansion Premises Commencement Date, the definition of "Premises" in the Lease shall be revised to include the Existing Premises and the Tenth Floor Expansion Premises (and the Eleventh Floor Expansion Premises, if applicable) for all purposes under the Lease, and the Usable Area, Rentable Area and Tenant Share contained therein (and set forth in Section 3 above) shall be deemed to comprise the Premises. The time period beginning on the Initial Expansion Premises Commencement Date and ending on the Termination Date shall be referred to herein as the "**New Expansion Premises Term**".

5.2 Eleventh Floor Expansion Premises Commencement Date. The lease of the Eleventh Floor Expansion Premises shall commence on the date that is the earlier of (a) the date Tenant occupies any material portion of the Eleventh Floor Expansion Premises and conducts material business therein during such occupancy (in a manner that would otherwise indicate that Tenant has accepted the Eleventh Floor Expansion Premises), and (b) the one hundred-fiftieth (150th) day after the Eleventh Floor Expansion Premises Delivery Date (the **"Eleventh Floor Expansion Premises Commencement Date**") and shall continue thereafter coterminous with the New Expansion Premises Term and shall end, unless extended or sooner terminated as otherwise provided herein, at 11:59 p.m. local time on the Termination Date. As of the Eleventh Floor Expansion Premises Commencement Date, the definition of "Premises" in the Lease shall be revised to include the Existing Premises and the Eleventh Floor Expansion Premises (and, if applicable, the Tenth Floor Expansion Premises) for all purposes under the Lease, and the Usable Area, Rentable Area and Tenant Share contained therein (and set forth in Section 3 above) shall be deemed to comprise the Premises. The date that is the earlier to occur of the Tenth Floor Expansion Premises Commencement Date, or the Eleventh Floor Expansion Premises Commencement Date, is defined herein as the "**Initial Expansion Premises Commencement Date**".

Notwithstanding anything to the contrary in this Third Amendment, each Expansion Premises Commencement Date shall be extended by the number of days on which there is any delay in the construction of the Improvements resulting from Landlord Delay (as defined below) or Force Majeure (as defined in the Lease). As used herein, a

"**Landlord Delay**" shall mean any actual delay in the completion of the Improvements as a result of Landlord's breach or material default under this Third Amendment (including, without limitation, any breach of representation or warranty); any delays relating to any of the matters specified in Section 5.3 of Exhibit B; any failure to respond to any items required to be furnished or approved by Landlord within a time period expressly set forth in this Third Amendment or the Lease (unless a deemed approval is specified, in which case no Landlord Delay shall be assessed); Landlord's failure to allow contractors access to the Building or Premises as scheduled in advance with the Building's property manager or Landlord's request for material changes in the fmal Plans and Specifications after Landlord's approval thereof (unless such request was caused by an error or omission by Tenant), provided, however, that notwithstanding the foregoing, no Landlord Delay shall be deemed to have occurred unless and until Tenant has delivered to Landlord a factually correct written notice (the "**Landlord Delay Notice**"), specifying the bona fide action or inaction which Tenant contends constitutes the Landlord Delay. If such action or inaction is not cured by Landlord within two (2) business days of Landlord's receipt of such Landlord Delay Notice, then the Landlord Delay shall be deemed to have occurred as of the expiration of such two (2) business day period. A delay in construction of the Improvements due to a Tenant Delay (as defined in Exhibit B, attached to and part of the Original Lease), any Force Majeure event or a delay by any governmental authority (including but not limited to the City of Los Angeles) shall not be deemed a Landlord Delay. Any Landlord Delay Notice shall be sent to the notice address set forth in the Lease with copies to (a) to the property manager at the management office of the Building; and to (b) Douglas Emmett Management LLC, 808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401, Attention: Leasing Legal Department Manager.

5.3 Temporary Lease of Swing Space. Upon the mutual execution of this Third Amendment (and provided Tenant delivers evidence of insurance coverage required under the Lease and incorporating the Temporary Space within such policy), Tenant shall have the right to temporary exclusive use and possession of Suites 600, 630 and 690 in the Building comprised of a total of 10,323 rentable square feet, which shall not be included in the "Premises" square footage (collectively, the "**Temporary Space**"). Such temporary possession shall be upon all the same terms and conditions as are contained in the Lease for the Existing Premises (including, without limitation, with respect to utilities and services to be provided by Landlord, and the ratio for parking permits allocated and parking discounts available to Tenant), except as provided in this Section 5.3 and provided that (i) Tenant shall have no obligation to pay Fixed Monthly Rent or Additional Rent (except to the extent the definition of the term "Additional Rent" includes any services Tenant voluntary requests with respect to which the Lease provides for payment by Tenant, such as but not limited to Excess HVAC) for the Temporary Space and (ii) Tenant shall be permitted to occupy the Temporary Space for a time period commencing upon the date Tenant first occupies the Temporary Space (estimated to be one day after the mutual execution of this Third Amendment, and which Tenant may do at any time after mutual execution of this Third Amendment), until the date that is thirty (30) days after the last Expansion Premises Commencement Date ("**Temporary Space Expiration Date**"). If Tenant fails to timely vacate the entire Temporary Space on or before the Temporary Space Expiration Date, Tenant shall. commencing on the day immediately after the Temporary Space Expiration Date, pay Landlord for any period of occupancy thereafter Fixed Monthly Rent for the Temporary Space at the rate of $2.00 per rentable square foot per month (pro-rated for any partial month of occupancy) through and including the date Tenant surrenders possession of the Temporary Space. If Tenant fails to deliver possession of the Temporary Space to Landlord after the expiration of ninety (90) days after Temporary Space Expiration Date, then commencing on the ninety-first day (91st) day after the Temporary Space Expiration Date, the Fixed Monthly Rent for the Temporary Space shall t be increased to $2.19 per rentable square foot per month through and including the date Tenant surrenders possession of the Temporary Space. Except as set forth in this Third Amendment, Tenant shall accept the Temporary Space in its "as-is" condition, and shall maintain the Temporary Space in the condition received, ordinary wear and tear and casualty damage and acts or omissions of Landlord (or any Landlord Parties) excepted, perform any repairs required due to damage to the Premises caused by Tenant (subject to Section 19.4 of the Original Lease), and shall keep the Temporary Space neat and clean during Tenant's occupancy thereof, at Tenant's sole cost (and Tenant shall otherwise not have any maintenance or repair obligations with respect to the Temporary Space). Except as set forth in this Third Amendment, Landlord makes no representations or warranties regarding the Temporary Space, provided that Landlord shall deliver exclusive possession of the Temporary Space to Tenant upon mutual execution and delivery of this Third Amendment, in broom-clean condition and free of any tenancies, subject to Landlord's obligations under the Lease and this Third Amendment, and except for any latent defects of which Tenant notifies Landlord in writing, and subject to the following representations and warranties by Landlord: (a) the Building and

mechanical systems serving the Temporary Space shall be in proper working order and repair; and (b) the Building systems serving the Temporary Space shall provide electrical and HVAC capacity for standard office use consistent with Class A buildings in the Woodland Hills Area, provided that (i) occupancy of the Temporary Space is, on average, no more than six and one-half (6.50) persons for every 1,000 square feet of Usable Area in the Temporary Space, and (ii) Tenant does not use in the Temporary Space any above-standard equipment that, in the aggregate with Tenant's other electrical equipment in the Temporary Space consumes above-standard levels of electricity or otherwise overloads the Building's electrical systems or creates any safety hazards. Tenant may increase its permissible occupancy density ratio in the Temporary Space after this Third Amendment is executed from six and one-half (6.50) per 1,000 square feet of Usable Area in the Temporary Space to up to seven and one-half (7.50) persons per 1,000 square feet of Usable Area in the Temporary Space, as long as Tenant pays for installation of additional VAV boxes, to the extent reasonably necessary as a result of such increase to reasonably accommodate the Building systems requirements of the increased density. In such event, Tenant shall deliver notice to Landlord and promptly thereafter Landlord and Tenant shall meet and confer to reasonably agree upon the contractor to perform the work and the plans and specifications for such work. Tenant may perform minor improvements in the Temporary Space at Tenant's sole cost and expense (including, without limitation, the demolition work shown on Exhibit C attached hereto and made a part hereof), provided that the plans for such work (other than for the demolition of the walls depicted on Exhibit C) shall be subject to Landlord's prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. The reference in Exhibit C to preserving the doors shall mean that Landlord shall, at Landlord's sole cost and expense, be responsible for the removal and storage of such doors. It shall be reasonable for Landlord to object to any improvements that will leave the Temporary Space in a condition that Landlord reasonably determines is not marketable unless Tenant agrees to restore the Temporary Space in accordance with plans reasonably approved by Landlord and repair any damage caused thereby, at Tenant's sole cost (subject to Section 19.4 of the Original Lease); provided, however, notwithstanding the foregoing or anything to the contrary in the Lease, Tenant shall have the right, and Landlord hereby approves Tenant's plan to demolish any or all of the walls marked for demolition in the Temporary Space as depicted on Exhibit C attached hereto, and shall not have any obligation to restore any such demolished walls or other items relating thereto. Tenant shall surrender the Temporary Space to Landlord in broom-clean condition, free of debris and trash and any of Tenant's personal property, furniture, fixtures and equipment that, with respect to new improvements, do not otherwise become a part of the Real Property, pursuant to the provisions contained in Section 7.2 of the Original Lease, and Tenant shall not otherwise have any restoration obligations with respect to the Temporary Space; provided, however, notwithstanding the foregoing, Tenant may leave, and shall not be obligated to remove from the Temporary Space, any and all cabling and wiring (including, without limitation, cabling and wiring installed by Tenant). In addition, subject to Section 19.4 of the Original Lease, upon surrender of the Temporary Space Tenant shall repair any damage caused by Tenant, at Tenant's sole cost and expense.

6. Fixed Monthly Rent; Fixed Monthly Rent Deferral

6.1 Existing Premises Fixed Monthly Rent.

The Fixed Monthly Rent for the Existing Premises for time period through December 31, 2017 shall be as set forth in the Lease. For the avoidance of doubt, Tenant did not exercise its right to an advance by Landlord of up to $7.50 per square foot of Usable Area as "Excess Improvements" (as defined in Exhibit B to the Original Lease) and as a result there is not, and shall not be, any Amortization Rent payable under Section 3.1(c) of the Original Lease or otherwise.

Thereafter, and notwithstanding anything to the contrary in the Lease commencing on January 1, 2018, Tenant shall pay Fixed Monthly Rent as and when required under the Lease for the Existing Premises as follows:

Period	Fixed Monthly Rent
January 1, 2018 through December 31, 2018	$[***]
January 1, 2019 through December 31, 2019	$[***]
January 1, 2020 through December 31, 2020	$[***]
January 1, 2021 through December 31, 2021	$[***]
January 1, 2022 through the Termination Date	$[***]

6.2 Existing Premises Rent Deferral. Notwithstanding the foregoing, Tenant shall be permitted to defer [***] of the Fixed Monthly Rent due for the Existing Premises in each of the following months: January 2018, February 2018, January 2019, February 2019, January 2020, February 2020, January 2021, February 2021, and March 2021 (collectively, the amount of Fixed Monthly Rent deferred shall be referred to herein as the "Rent Deferral Amount"). So long as Landlord has not terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, the entire Rent Deferral Amount shall be abated and forgiven as of the Termination Date; provided, however, that if Landlord has terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, then (a) Tenant shall pay to Landlord upon demand the entire Rent Deferral Amount due for the months of the Term prior to the occurrence of such material default, and (b) Tenant shall not be entitled to any additional or future deferral of Fixed Monthly Rent.

6.3 Tenth Floor Expansion Premises Fixed Monthly Rent. Tenant shall pay as and when required under the Lease Fixed Monthly Rent for the Tenth Floor Expansion Premises as follows:

Period	Fixed Monthly Rent
Commencing on the Tenth Floor Expansion Premises Commencement Date and continuing through the last calendar day of the twelfth (12th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the thirteenth (13th) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the twenty-fourth (24th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (0) day of the twenty-fifth (25th) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the thirty-sixth (36th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (15t) day of the thirty-seventh (37) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the forty-eighth (48th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]

Commencing on the first (1st) day of the forty-ninth (49◦) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the sixtieth (60th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the sixty-first (60) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the seventy-second (72’1) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the seventy-third (73”1) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the last day of the eighty-fourth (84th) month after the Tenth Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the eighty-fifth (85th) month after the Tenth Floor Expansion Premises Commencement Date and continuing through the Termination Date	$[***]

6.4 Eleventh Floor Expansion Premises Fixed Monthly Rent. Tenant shall pay as and when required under the Lease Fixed Monthly Rent for the Eleventh Floor Expansion Premises as follows:

Period	**Fixed Monthly Rent**
Commencing on the Eleventh Floor Expansion Premises Commencement Date and continuing through the last calendar day of the twelfth (12th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the thirteenth (13th) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the twenty-fourth (24th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the twenty-fifth (25th) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the thirty-sixth (36th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the thirty-seventh (37’) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the forty-eighth (48th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the forty-ninth (49th) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the sixtieth (60th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]

Commencing on the first (1st) day of the sixty-first (61st) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the seventy-second (72nd) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the seventy-third (73rd) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the last day of the eighty-fourth (84th) month after the Eleventh Floor Expansion Premises Commencement Date	$[***]
Commencing on the first (1st) day of the eighty-fifth (85th) month after the Eleventh Floor Expansion Premises Commencement Date and continuing through the Termination Date	$[***]

6.5 Expansion Premises Rent Deferral. Notwithstanding the foregoing, Tenant shall be permitted to defer [***] of the Fixed Monthly Rent due for each of the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises in each of the following months (with the months correlating to the rent schedule sent forth in Section 6.3 for the Tenth Floor Expansion Premises and correlating to the rent schedule set forth in Section 6.4 for the Eleventh Floor Expansion Premises): second (2nd), third (3rd), fourth (4th) fifth (5th), thirteenth (13th), fourteenth (14th), twenty-fourth (24th), twenty-fifth (25th), twenty-sixth (26th), twenty-seventh (27th) thirty-seventh (37th), thirty-eighth (38th), forty-ninth (49th), fiftieth (50th), sixty-first (61st) and sixty-second (62nd) months (collectively, the amount of Fixed Monthly Rent deferred shall be referred to herein as the "**Rent Deferral Amount**"). So long as Landlord has not terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, the entire Rent Deferral Amount shall be abated and forgiven as of the Termination Date; provided, however, that if Landlord has terminated the Lease prior to its then scheduled expiration date in accordance with the terms and conditions of the Lease as a result of a material default of Tenant under the Lease beyond all applicable notice and cure periods, then (a) Tenant shall pay to Landlord upon demand the entire Rent Deferral Amount due for the months of the Term prior to the occurrence of such material default, and (b) Tenant shall not be entitled to any additional or future deferral of Fixed Monthly Rent.

Concurrent with Tenant's execution and delivery to Landlord of this Third Amendment, Tenant shall pay to Landlord the Fixed Monthly Rent due for the Expansion Premises alone for the first month of the lease of each of the Tenth Floor Expansion Premises and the Eleventh Floor Expansion Premises (i.e., a total of $[***]).

7. Credit Enhancements.

7.1 Modification to Security Deposit. Landlord acknowledges that it currently holds the sum of $[***]as a Security Deposit under the Lease, which amount Landlord shall continue to hold through the New Expansion Premises Term, in accordance with the terms and conditions of the Lease, unless otherwise applied pursuant to the provisions of the Lease. Concurrent with Tenant's execution and tendering to Landlord of this Third Amendment, Tenant shall tender to Landlord the sum of $[***], which amount Landlord shall add to the Security Deposit already held by Landlord, so that thereafter, through the New Expansion Term, provided the same is not otherwise applied, Landlord shall hold a total of $[***]as a Security Deposit on behalf of Tenant. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the Security Deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in Lease Article 18 and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant's breach of the Lease or the acts or omission of Tenant or any Tenant Party (as defined in the Lease).

7.2 Modifications to the Letter of Credit. Landlord is the beneficiary under a certain Irrevocable Standby Letter of Credit No ### dated January 13, 2011 issued by Silicon Valley Bank (the "**Letter of Credit**") in the principal amount of $[***] (the "**LC Amount**"). The Letter of Credit was issued in connection with Article 27 of the Original Lease as collateral for the full and faithful performance by Tenant of all of its obligations under the Lease. Article 27 of the Original Lease provides, among other things, that the LC Amount shall be reduced on certain dates and in certain amounts as more particularly set forth in the last grammatical paragraph of Article 27. The final date of expiry of the Letter of Credit is December 15, 2017. Landlord and Tenant hereby agree that the terms of Article 27 of the Original Lease are hereby amended as follows:

(a) The final date of expiry of the Letter of Credit shall be sixty (60) days after the Termination Date as defined above in this Third Amendment ("**New Letter of Credit Expiration Date**"); and

(b) The LC Amount shall remain the LC Amount without reduction through the New Letter of Credit Expiration Date, and the last grammatical paragraph of Article 27 of the Original Lease is hereby deleted in its entirety and shall be of no force or effect.

On or before July 31, 2014, Tenant shall deliver to Landlord, a replacement Letter of Credit or amendment to the Letter of Credit which incorporates the changes set forth above in clauses (a) and (b).

8. **Proposition 13.** Notwithstanding any other provision of the Lease, if at any time commencing on the Initial Expansion Premises Commencement Date and expiring on the last calendar day of the sixtieth (60") full calendar month thereafter ("**Protection Period**"), any sale, transfer or change in ownership of, or construction relating to, the Building or Project, or any portion thereof or any interest therein, is consummated and, solely as a result of such sale, transfer or change in ownership, or construction, all or part of the Building or Project is reassessed ("**Reassessment**") for real estate tax purposes by the appropriate government authority under the terms of Proposition 13, the terms of this Section 8 shall apply. In the event Proposition 13 is repealed or modified, the provisions of this Section 8 shall be applied as if no such repeal or modification was effective.

8.1 Tax Increase. For purposes of the Lease, as amended hereby, the term "**Tax Expenses**" shall mean collectively, all general and special real estate taxes, increases in assessments or special assessments and any other ad valorem taxes, rates, levies and assessments paid during a calendar year (or portion thereof or any interest therein) upon or with respect to the Building and the personal property used by Landlord to operate the Building, whether paid to any governmental or quasi-governmental authority, and all taxes specifically imposed in lieu of any such taxes (but excluding taxes referred to in Section 3.4 of the Original Lease for which Tenant or other tenants in the Building or Project are liable), and Appeal Fees (as defined in Article 4 of the Original Lease) but solely to the extent that the Appeal Fees result directly in a reduction of taxes otherwise payable by Tenant. For purposes of the Lease, "**Tax Increase**" shall mean that portion of Tax Expenses, as calculated immediately following any such Reassessment that is attributable solely to the Reassessment, and all increases relating to such portion (including, without limitation, annual statutory increases). Accordingly, a Tax Increase shall not include any portion of Tax Expenses as calculated immediately following the Reassessment that is attributable to:

(i) any assessment immediately prior to the Reassessment of the value of the Real Property, Building, the base Building, or the tenant improvements located in the Building; or

(ii) assessments pending immediately before the Reassessment that were conducted during, and to the extent included in, that Reassessment; or

(iii) except with respect to the Tax Increase, as set forth above, the annual inflationary increase in real estate taxes permitted under California law but not in excess of two percent (2%) per annum; or.

(iv) any real property taxes and assessments incurred solely during the Expansion Premises Base Year (as defined below) which are included in the calculation of Tax Expenses for the Expansion Premises Base Year, it being understood that all reassessments with respect to transactions occurring during (and prior) to the Expansion Premises Base Year or Existing Premises Base Year, as applicable, will be included as part of Tax Expenses for the Expansion Premises Base Year or Existing Premises Base Year, as applicable.

(a) During the first two (2) years of the Protection Period, Tenant shall not be obligated to pay any portion the Tax Increase allocable to any Reassessment (or any increases based on such portion);

(b) During the third year of the Protection Period Tenant shall only be obligated to pay twenty-five percent (25%) of the Tax Increase allocable to any Reassessment that would otherwise be included in Operating Expenses (or any increases based on such portion);

(c) During the fourth year of the Protection Period Tenant shall only be obligated to pay fifty percent (50%) of the Tax Increase allocable to any Reassessment that would otherwise be included in Operating Expenses (or any increases based on such portion);

(d) During the fifth year of the Protection Period Tenant shall only be obligated to pay seventy-five percent (75%) of the Tax Increase allocable to any Reassessment that would otherwise be included in Operating Expenses (or any increases based on such portion);

After the expiration of the Protection Period and thereafter through the New Expansion Premises Term, the 100% of any Tax Increase allocable to any Reassessment shall be included as part of Tax Expenses, and this Section 8 shall have no force or effect.

The amount of Tax Expenses which Tenant is not obligated to pay and will not be obligated to pay during the initial Lease Term in connection with any such Reassessment shall be sometimes referred to hereafter as a "**Proposition 13 Protection Amount.**" If the occurrence of any such Reassessment is reasonably foreseeable by Landlord and the Proposition 13 Protection Amount attributable to such Reassessment can be reasonably quantified or estimated for each year during the Protection Period commencing with the year in which such Reassessment will occur, then upon notice to Tenant, Landlord shall have the right to purchase the Proposition 13 Protection Amount relating to the Reassessment, at any time during the initial Lease Term, by paying to Tenant an amount equal to the Proposition 13 Purchase Price (as defined below), provided that the right of any successor of Landlord to exercise its right of repurchase hereunder shall not apply to any Reassessment which results from the event pursuant to which such successor of Landlord became the Landlord under this Lease. As used herein, "Proposition 13 Purchase Price" shall mean the present value of the Proposition 13 Protection Amount remaining during the initial Term, as of the date of payment of the Proposition 13 Purchase Price by Landlord. Such present value shall be calculated (i) by using the portion of the Proposition 13 Protection Amount attributable to each remaining year in the initial Term (as though the portion of such Proposition 13 Protection Amount benefited Tenant at the end of each year), as the amounts to be discounted, and (ii) by using discount rates for each amount to be discounted equal (A) the average rates of yield for United States Treasury Obligations with maturity dates as close as reasonably possible to the end of each year during which the portions of the Proposition 13 Protection Amount would have benefited Tenant, which rates shall be those in effect as of Landlord's exercise of its right to purchase, plus (B) two percent (2%) per annum. Upon such payment of the Proposition 13 Purchase Price, the protection provisions of this Section 8 shall not apply to any Tax Increase attributable to the Reassessment. Landlord acknowledges and agrees that where Landlord is required to reasonably estimate the Proposition 13 Purchase Price amount in order to exercise its repurchase right hereunder, and such price is deemed to be estimated because a Reassessment has not yet occurred, then when such Reassessment occurs, if Landlord has underestimated the Proposition 13 Purchase Price it shall within a commercially reasonable time period account to Tenant for the balance of the Proposition 13 Purchase Price due Tenant as a Rent credit, and if Landlord overestimates the Proposition 13 Purchase Price, then upon notice by Landlord to Tenant, Rent next due shall be increased by the amount of such overestimation. If Tenant provides notice to Landlord that Tenant disputes the Proposition 13 Purchase Price offered Tenant by Landlord prior to any such Reassessment the Landlord agrees to place the amount that is disputed between the parties (with the undisputed amount being paid to Tenant) into an interest bearing escrow account in joint names until such

Reassessment takes place and all Proposition 13 Purchase Price amount can be correctly calculated to the satisfaction of the parties and adjustments made to the amount to be paid to Tenant, including the release of moneys held in escrow. Where the Landlord has a signed tri-party agreement with the purchaser or transferee from the Landlord and Tenant entered into prior to any transfer, sale or change of ownership of the Building or Project that will trigger Reassessment and the parties have agreed to provide Tenant any portion of the Proposition 13 Purchase Price underpaid by Landlord as a credit against the next rent due until the same has been fully exhausted then at Tenant's election such underpayment may be recovered during the Term by way of rent credit. If in anticipation of the transfer, sale or change of ownership of the Building or Project the Landlord has paid Tenant the Proposition 13 Purchase Price and following such payment Tenant is notified in writing by Landlord that the transfer, sale or change of ownership of the Building or Project has been aborted and will not proceed then Tenant shall, following reasonably enquiry to confirm no such transfer, sale or change of ownership has taken place, upon Tenant's receipt of reasonable evidence thereof, return the Proposition 13 Purchase Price to Landlord within a reasonable period of time after receipt of written notice demanding such reimbursement, less amounts overpaid as Tax Expenses due to the transaction in question, and less Tenant's costs and expenses incurred in connection with the transaction in question.

9. Proposition 8. Notwithstanding anything to the contrary set forth in the Lease, the amount of Tax Expenses for the Expansion Premises Base Year and the Existing Premises Base Year, as applicable, shall each be calculated without taking into account any decreases in taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the applicable Base Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses for each of the Expansion Premises Base Year and the Existing Premises Base Year, as applicable, under the Lease; provided that (a) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction shall not be deducted from Tax Expenses nor included in Tax Expenses for purposes of the Lease (and shall be at Landlord's sole cost and expense), and (b) tax refunds under Proposition 8 shall not be deducted from Tax Expenses nor refunded to Tenant, but rather shall otherwise be the sole property of Landlord. Landlord and Tenant acknowledge that this paragraph is not intended to in any way affect (i) the inclusion in Tax Expenses of the statutory annual increase in Tax Expenses (currently 2% per annum), or (ii) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13, which shall be governed pursuant to the terms and conditions of Section 8).

10. Parking Permits; Parking Discounts.

10.1 Expansion Premises. Notwithstanding any contrary provision in the Lease, as amended, throughout the New Expansion Premises Term, with respect to the Expansion Premises, Tenant shall have the right but not the obligation to purchase up to five (5) parking permits per one thousand (1,000) square feet of Rentable Area in the Expansion Premises (which equates to 176 permits), of which twelve (12) permits shall be, at Tenant's sole option, for reserved parking stalls on the "G" (ground) level accessed at the Canoga Avenue entrance, or the "Bl" level (i.e., the 1st underground level) as designated by Tenant. Tenant's reserved spaces under the Lease (including, without limitation, with respect to the Existing Premises) shall be non-tandem and located on such "G" level and "Bl" level, and, to the extent available in the Building parking facility, shall be non-compact (i.e., full-sized) spaces on such "G" level and "Bl" level, or any other level in the Building parking facility mutually agreed upon between Landlord and Tenant. Subject to availability, Landlord shall allow Tenant to relocate any of its reserved spaces to other available spaces in the Building parking facility. Except for the discount specified in Section 10.3 below, and notwithstanding any contrary provision of the Lease, Tenant's parking permits shall allow Tenant to park in the Building parking facility at the posted monthly parking rates and charges then in effect, including any and all applicable taxes, provided that such rates may be changed from time to time, in Landlord's sole discretion, subject to the last sentence of this paragraph. The parking permit rates in effect as of the date of this Third Amendment are as follows: $93.00 per month per single unreserved permit (including City of Los Angeles taxes), and $148.00 per month per single reserved permit (including City of Los Angeles taxes). Landlord agrees that the parking permit rates at the Building shall remain comparable to the rates being charged at comparable Class A buildings in the Warner Center area.

10.2 Existing Premises. The terms governing Tenant's parking rights and obligations with respect to the Existing Premises as set forth in the Lease shall remain without modification through December 31, 2017 (except as set forth above in Section 10.1). Beginning on January 1, 2018 and continuing throughout the remainder of the New Expansion Premises Term, with respect to the Existing Premises, Tenant shall have the right but not the obligation to purchase up to the same number and type of permits currently permitted to be purchased for the Existing Premises (which is 150 unreserved permits and 7 reserved permits) provided that except for the discount specified below in Section 10.3, and notwithstanding any contrary provision of the Lease, effective January 1, 2018, Tenant's parking permits shall allow Tenant to park in the Building parking facility at the posted monthly parking rates and charges then in effect, including any and all applicable taxes, provided that such rates may be changed from time to time, in Landlord's sole discretion, subject to the last sentence of Section 10.1 above.

10.3 Discounts. With respect to the parking permits and validations purchased for the Expansion Premises, commencing on the Initial Expansion Premises Commencement Date and continuing throughout the New Expansion Premises Term Tenant shall receive a fifty percent (50%) discount on all permits and validations purchased pursuant to the Lease (so long as such visitor validations are purchased by Tenant on a bulk basis in increments of $500.00). With respect to the parking permits and validations purchased for the Existing Premises, commencing on January 1, 2018 and continuing throughout the New Expansion Premises Term Tenant shall receive a fifty percent (50%) discount on all permits and validations purchased pursuant to the Lease (so long as such visitor validations are purchased by Tenant on a bulk basis in increments of $500.00), provided that all other parking discounts for the Existing Premises (whether for permits or validations) shall expire at 11:59 p.m. local time on December 31, 2017.

Except as modified herein, Tenant's parking rights and obligations shall be as set forth in Article 21 of the Lease, and Tenant's parking rights with respect to the Existing Premises shall not be reduced in any manner (subject to the change in discount rates set forth herein).

11. Miscellaneous Amendments. The Lease is hereby amended as set forth in this Section 11 (all Section and Article references shall be references to the Original Lease unless specified otherwise).

11.1 Option to Extend Term. The Option (as defined in Section 23.1 of the Original Lease) to extend the Lease Term set forth in Article 23 and amended in Section 9.1 of the First Amendment is hereby amended to (a) include the Existing Premises and the Expansion Premises; (b) change the reference to the Termination Date to the Termination Date as defined in this Third Amendment; and (c) allow Tenant to exercise the Option with respect to any one or more full floors. Furthermore, Section 23.5 of the Original Lease is hereby deleted in its entirety, and, notwithstanding any other provision of the Lease, the Option may be exercised by Tenant or any Affiliate assignee or any other permitted assignee.

11.2 Right of First Offer. The "**Right of First Offer**" shall mean the right of first offer set forth in Sections 24.1, 24.2 and 24.3 of the Original Lease, as amended by Section 9.2 of the First Amendment. The Right of First Offer shall remain in full force and effect except as amended as follows:

(a) Section 24.1a) of the Original Lease is hereby deleted in its entirety and Landlord and Tenant agree that the right of first offer shall be subject and subordinate only to the following written rights, in their form and content existing as of the date of this Third Amendment, granted to other tenants in the Building prior to the date hereof (collectively, the "**Superior Rights**"): Aris Mortgage Company, LLC ("**Aris**"), Suite 900: a right to expand and a right of first refusal for the remaining portion of the 9th floor (both rights expire on November 30, 2014); and Landlord agrees not to grant Aris any extension of its expansion right or its right of first refusal and, notwithstanding anything to the contrary in the Lease, after November 30, 2014, Tenant's right of first offer shall not be subject or subordinate to any rights of Aris; Liberty Mutual Insurance Company, Suite 800: a right of first refusal on any contiguous space on the 8th floor; Western Pacific Housing, Suite 700: a right of first negotiation to any space on the 7th floor; Carlson Wagonlit, Suite 500: a right of first offer to any contiguous space on the 5th floor; and Tobin Lucks, Suites 300, 200 and 460: a right of first refusal on any space on 4th or 5th floors. Notwithstanding anything to the contrary herein, (i) Landlord shall not expand or extend or otherwise modify in a manner adverse to Tenant any Superior Rights, and (ii) Landlord shall not renew or extend (or allow the renewal or extension), whether pursuant to the lease agreement with Aris or otherwise, the initial term of the Aris Extension (as defined in Section 11.3 below), or the initial term of any other tenant or occupant of any space currently leased

by Aris, unless Landlord first allows Tenant the opportunity to lease such space pursuant to its right of first offer hereunder and its right of first refusal under the Lease. Landlord represents and warrants to Tenant that the Superior Rights (in their form and content existing as of the date of this Third Amendment) are the sole and exclusive rights that are superior to Tenant's right of first offer. Additionally, at such time as Landlord delivers a notice to Tenant regarding the potential lease of any of the Expansion Premises under Section 24.1, Landlord shall be deemed to have represented and warranted to Tenant that the rights of all holders of Superior Rights are no longer in effect with respect to the Expansion Premises in question and the particular transaction in question.

(b) The "**Expansion Premises**" as defined in Section 24.1 shall mean, solely for purposes of the right of first offer and not with respect to the right of first refusal, any demised office space in the Building that is equal to or greater than 5,000 rentable square feet.

(c) Notwithstanding anything to the contrary in the Lease, the Right of First Offer shall remain effective as of the date this Third Amendment is mutually executed and shall continue in effect through the expiration of the New Expansion Premises Term (as may be extended), and the Right of First Offer shall be a continuing right and shall not expire or terminate during the New Expansion Premises Term (as may be extended).

Notwithstanding anything in the Lease or this Third Amendment, (i) the Right of First Offer may be exercised by Tenant or any Affiliate assignee, or any other permitted assignee, (ii) Tenant's exercise of its Right of First Offer and/or Right of First Refusal shall not affect Tenant's right to exercise its Termination Option in the Lease; and (iii) the terms of Section 24.5 of the Original Lease shall remain in full force and effect (subject to Landlord's obligations under this Third Amendment).

11.3 Right of First Refusal. The "**Right of First Refusal**" shall mean the right of first refusal set forth in Section 24.4 of the Original Lease, as amended by Section 9.2 of the First Amendment. Notwithstanding any contrary provision of the Lease, the Right of First Refusal shall apply solely to any demised space on the ninth (9th) floor of the Building that is vacant and available to lease to third parties (or Landlord has knowledge that such space will be available in the reasonably near future). Landlord and Tenant agree that, until November 30, 2014, the right of first refusal shall be subject and subordinate only to a right of expansion and a right of first refusal for the remaining portion of the 9th floor (both of which rights expire on November 30, 2014) granted to Aris. Notwithstanding the foregoing, in the event Landlord enters into an extension of the term of the Aris lease commencing on December 1, 2014 (which may be for any time period and may or may not include a lease of all or a portion of the remaining unoccupied 9th floor of the Building, in Landlord's sole and absolute discretion (the "**Aris Extension**"); provided, however, if Aris or any other tenant leases less than the entire 9th floor, then if Tenant leases any space on the 9th floor pursuant to its right of first offer or right of first refusal under the Lease, Landlord shall, at its sole cost and expense, and not as part of Operating Expenses, construct a Building standard multi-tenant corridor on the 9th floor in accordance with Landlord's plans and specifications in accordance with a construction schedule consistent with the delivery of the applicable ninth (9th) floor space to Tenant. Landlord agrees not to grant Aris any extension of its expansion right or its right of first refusal and, notwithstanding anything to the contrary in the Lease, on and after November 30, 2014, Tenant's right of first refusal shall not be subject or subordinate to the rights of Aris or any other tenant. Notwithstanding anything to the contrary in the Lease, the Right of First Refusal Period shall mean the time period commencing on the date this Third Amendment is mutually executed and ending upon the expiration of the New Expansion Premises Term (as may be extended), and the Right of First Refusal shall be a continuing right and shall not expire or terminate during the New Expansion Premises Term (as may be extended). Landlord represents and warrants to Tenant that the rights of Aris (as set forth above) are the sole and exclusive rights that are superior to Tenant's right of first refusal, and that the rights of Aris unconditionally expire and terminate on November 30, 2014. Additionally, without limiting the foregoing, at such time as Landlord delivers a notice to Tenant regarding the potential lease of any of the Expansion Premises under Section 24.4 of the Original Lease, Landlord shall be deemed to have represented and warranted to Tenant that the rights of Aris are no longer in effect with respect to the Expansion Premises in question and particular transaction in question.

Notwithstanding anything to the contrary in the Lease, the Right of First Refusal may be exercised by Tenant or any Affiliate assignee or any other permitted assignee.

11.4 Termination Option. The "**Termination Option**" shall mean the option granted to Tenant to terminate the Lease early as set forth in Article 25 of the Original Lease and as amended by Section 9.3 of the First Amendment. The Termination Option shall remain in full force and effect and shall include the Expansion Premises, except that such Termination Option is hereby amended as follows: (a) the "**Early Termination Date**" shall mean 11:59 p.m. Los Angeles time on the last calendar day of the sixtieth (60th) month after the Initial Expansion Premises Commencement Date; (b) the "**Notice Period Expiration Date**", shall mean the date that is the last calendar day of the fifty-first (51') month after the Initial Expansion Premises Commencement Date; (c) the termination compensation shall be (i) any lease commission and the Allowance disbursed by Landlord in connection with this Third Amendment (and not in connection with the Original Lease or any prior amendment) or any expansion amendment between Landlord and Tenant executed after the date hereof (unless otherwise stated in any such amendment), which shall be amortized over the eight (8) year period commencing on the Initial Expansion Premises Commencement Date and ending on the Termination Date on a straight line basis at an interest rate of eight percent (8%) per annum as of the Early Termination Date, and (d) Section 25.4 as restated in its entirety in Section 9.3 of the First Amendment is hereby deleted and replaced with the following, which shall be fully incorporated in the Lease as if set forth therein. "Section 25.4. Expiration of Option to Terminate Early. Provided that Tenant has not already delivered the Termination Notice specified hereinabove, then, effective on the first calendar day of the fifty-second (52nd) calendar month after the Initial Expansion Premises Commencement Date, the provisions of this Article 25 shall be deemed null, void and of no further force or effect." Notwithstanding anything in the Lease or this Third Amendment, the Termination Option may be exercised by Tenant or any Affiliate assignee or any other permitted assignee.

11.5 SNDA. Tenant and Bank of America, NA, as Administrative Agent, are parties to a Subordination, Non-Disturbance and Attornment Agreement dated March , 2013 ("**Bank of America SNDA**"). **Landlord** shall use its most diligent efforts to deliver Lender's written consent to this Third Amendment in order to comply with Section 4(i) of the Bank of America SNDA within thirty (30) days after this Third Amendment is executed and delivered by the parties, which written consent shall include a written statement that the terms and provisions of the Bank of America SNDA cover the entire Premises, including the Expansion Premises (or in lieu of such written statement, Landlord shall use its most diligent efforts to cause Lender to execute and record an amended and restated Bank of America SNDA that covers the entire Premises, including the Expansion Premises). Upon Landlord's execution of this Third Amendment, Landlord shall be deemed to represent and warrant to Tenant that Landlord has obtained any and all necessary consents for the execution of this Third Amendment, and all necessary consents relating to Landlord's existing loan related to the Bank of America SNDA (which Landlord represents and warrants is the only loan encumbering the Building as of the date hereof) have been obtained.

11.6 ADA Compliance. Landlord's representations, warranties and covenants under Section 20.25 of the Original Lease are hereby ratified, and re-made as of the date hereof with respect to both the Existing Premises (excluding any Tenant Change in the Existing Premises with respect to which Landlord's approval was not given but was required under the Lease) and the Expansion Premises (except for Tenant's obligation to cause the restrooms in the Premises to comply with Code to the extent set forth in Section 5.1 of Exhibit B).

11.7 Directory Signage: Lobby Identity Signage: Monument Signage Modification: Building-Top Signage Modification. Tenant may, in its sole discretion, install building standard signage per a building standard location at the entrances of the Expansion Premises at Tenant's sole cost and expense, payable by Landlord to Tenant within thirty (30) days after Landlord's receipt of written invoice. If required by applicable law (such as, without limitation, any fire codes or regulation), or otherwise desired by Landlord, Landlord shall, at Landlord's sole cost and expense, install building standard signage per a building standard location at the entrances of the Expansion Premises. Tenant, in its sole and absolute discretion, may elect to have its names grouped in one location of the directory board, at Landlord's sole cost and expense, in any area reasonably designated by the Landlord in addition to having such names individually listed alphabetically per one line per 1,000 rentable square feet in the Expansion Premises not to exceed twenty (20) lines, subject to space availability.

In addition to all other lobby directory signage, Tenant shall have the right to install lobby identity signage at Tenant's sole cost on a prominent wall location depicted on Exhibit D attached hereto, stating Tenant's name and/or logo of reasonable size (approximately 8' wide x 21" tall), which shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed (provided Landlord's approval shall not be required for any name or logo or signage consistent with that currently in the 12th floor reception room in the Existing Premises), and shall be deemed granted if Landlord does not provide a detailed reasonable disapproval within five (5) business days after receipt of written request. Notwithstanding anything to the contrary in the Lease, the last paragraph of Section 20.22.1(a) is hereby deleted, it being understood that Tenant's rights to its monument signage shall not expire or terminate unless Tenant removes its existing installed signage from the monument and does not replace such signage by the date that is twenty-four (24) months after such removal (which outside date shall be extended for any Force Majeure Event).

Notwithstanding anything to the contrary in the Lease, all of Tenant's signage rights may be exercised by Tenant or any Affiliate assignee or any Acceptable Assignee (defined below), subject to the remaining terms of the Lease, including, without limitation, the following paragraph. Additionally, notwithstanding anything to the contrary in the Lease, Tenant's exercise of any of its signage rights (including, without limitation, the installation of the Building-Top Signage) shall not affect Tenant's right to exercise Termination Option in the Lease.

Notwithstanding anything to the contrary in the Lease, Landlord hereby agrees that the Building-Top Signage shall be exclusive to Tenant and Landlord shall not allow any other party to have signage on the roof of the Building, or grant any building top sign right to any other party unless Tenant's right to Building-Top Signage has terminated in accordance with the terms of the Lease. Tenant may place the Building-Top Signage on up to two (2) sides of the Building (i.e., up to 2 building-top signs), and Landlord shall not unreasonably withhold, condition or delay its approval for any request by Tenant to use a side(s) of the Building for the Building-Top Signage. provided that Landlord hereby approves installing the Building-Top Signage on the north and west sides of the Building (and subject to Landlord's approval criteria for the Building-Top Signage as set forth in Section 20.22.1(b) of the Original Lease as amended by this Third Amendment). Notwithstanding anything to the contrary in the Lease, (a) all signage may contain name and logo (and, without limitation, may contain the name "Blackline" or "Blackline Systems"), and, other than the Building-Top Signage, to the extent set forth in the following clause (b), may be utilized by Tenant, any Affiliate assignee or sublessee, or any other permitted assignee or sublessee; and (b) the Building-Top Signage may only be used by Tenant, an Affiliate assignee, an Acceptable Assignee (as defined below) or an Acceptable Sublessee (as defined below). An "Acceptable Assignee" shall mean the following conditions shall be satisfied: (X) Landlord has consented to the assignment of the Lease to the assignee; (Y) the assignee's proposed exterior signage satisfies all of Landlord's reasonable signage criteria (as may be reasonably modified from time to time) and the terms and conditions as set forth in this paragraph to which the signage rights are subject, and (Z) in Landlord's reasonable determination, the proposed exterior signage will identify a business that is consistent with the first class quality, character, and reputation of businesses at the Project with comparable exterior signage (and considering the substantial prominence of the Building-Top Signage), is consistent with the level of quality, character, and reputation of comparable prominent building top signage displayed at comparable first-class office projects in the Warner Center area, and would not denigrate the character, value or reputation of the Project, Landlord or tenants at the Project (which objectionable signage would include, but would not be limited to, discount merchandisers or companies engaged in businesses that are known to the public to appeal to prurient interests). An "Acceptable Sublessee" shall mean the following conditions shall be satisfied: (x) the applicable requirements in clauses (X), (Y) and (Z) in the definition of Acceptable Assignee shall be satisfied with respect to the subtenant's signage; (y) the sublessee is an Affiliate of Tenant, or otherwise a permitted sublessee (provided such Affiliate sublessee or permitted sublessee, as applicable, leases and/or subleases in the Building a combined total of not less than 44,000 rentable square feet). Landlord and Tenant agree that Landlord may consent to the assignment of the Lease to a proposed assignee but withhold Landlord's consent to allowing the same proposed assignee to display any Building-Top Signage at the Project and that such actions by Landlord, if in accordance with the conditions set forth herein, would be reasonable, and that Landlord may consent to a sublease to a proposed sublessee but withhold Landlord's consent to allowing the same proposed sublessee to display any Building-Top Signage at the Project and that such actions by Landlord, if in accordance with the conditions set forth herein, would be reasonable.

The signage referenced herein shall be in addition, and without limitation, to the signage provided under the Lease. Furthermore, Tenant shall be entitled to install its panel as the top panel on Tenant's existing monument sign at Tenant's sole cost.

Tenant acknowledges that if Tenant has not materially commenced the installation of the Building-Top Signage prior to the date that is the last calendar day of the twenty-fourth (24th) month after the later to occur of the Tenth Floor Expansion Premises Commencement Date or the Eleventh Floor Expansion Premises Commencement Date (provided that in the event Tenant has materially commenced the work to have the Building-Top Sign installed and is delayed only because of a delay caused by Landlord or any of the Landlord Parties, or a delay in receiving a required approval by any governmental authority having jurisdiction over the subject signage, then, upon notice of the same to Landlord, such deadline shall be extended day for day until such approval is granted (including, without limitation, any time period that the governmental authority has granted Tenant to modify its application or design) and the applicable delay ends), provided that Landlord delivers written notice to Tenant during the preceding calendar month that Tenant's right to install the subject signage shall expire as of such date, then Tenant's right to install the subject signage shall expire as of the date that is thirty (30) days after Tenant's receipt of such written notice from Landlord after the later to occur of the twenty-fourth (24th) month after the later to occur of the Tenth Floor Expansion Premises Commencement Date or the Eleventh Floor Expansion Premises Commencement Date, and Tenant's right to install said Building-Top Sign shall be null and void thereafter, if Tenant has not materially commenced the installation of the Building-Top Signage, provided that in the event Tenant has materially commenced the work to have the Building-Top Sign installed and is delayed only because of a delay caused by Landlord or any of the Landlord Parties, or a delay in receiving a required approval by any governmental authority having jurisdiction over the subject signage, then, upon notice of the same to Landlord, such deadline shall be extended day for day until such approval is granted (including, without limitation, any time period that the governmental authority has granted Tenant to modify its application or design) and the applicable delay ends. Notwithstanding anything to the contrary in the Lease, so long as Tenant is not in material default under the Lease after the expiration of any applicable notice and cure periods, and leases a combined total of at least than 44,000 rentable square feet in the Building, except as may be expressly set forth to the contrary in this paragraph, Tenant shall not lose its Building-Top Sign rights.

For the avoidance of doubt, no rent or other charge shall be due or payable to Landlord by Tenant for the installation of Tenant's signage or the use of the locations where such signage is installed (provided that nothing herein shall limit Tenant's obligations to pay all of the costs of signage as provided in Section 20.22.1 of the Original Lease or Tenant's obligations to pay all costs of removal and restoration of any signage installed by Tenant).

11.8 Key Card Systems.

11.8. Exit Stairwell System. Tenant shall have the right, but not the obligation, to install a key card reader inside any or all of the interior exit stairwells on the tenth (10th), eleventh (11th) and twelfth (12th) floors (and any right of first offer space and right of first refusal space leased by Tenant and covering a full floor, if applicable) for entrance from the stairwell into the Existing Premises and the Expansion Premises (and any right of first offer space and right of first refusal space leased by Tenant and covering a full floor, if applicable), all at Tenant's sole cost and expense.

11.8.2. Elevator Card Access System. As more particularly described in Section 9.7.2 of the First Amendment, for so long as Tenant or any Affiliate leases any full floors in the Building Landlord shall promptly, upon notice from Tenant and at Landlord's sole cost and expense, (a) install Elevator Card Access System hardware in the two (2) cabs that do not currently have such hardware (and such system shall be comparable to that installed in the other two (2) cabs) and Landlord shall program and activate all four (4) Elevator Card Access Systems at Landlord's sole cost for every such full floor leased by Tenant. The terms specified in Sections 9.7.2 and 9.7.3 of the First Amendment shall remain in full force and effect during the New Expansion Premises Term. The elevators shall be equipped with locking systems for each of 10th, 11th and 12th floors (and any other full floor leased by Tenant, if applicable), for Tenant's exclusive use.

11.9 Expansion Premises Excess HVAC; Expansion Premises Supplemental HVAC. If Tenant requires Excess HVAC in the Expansion Premises Tenant shall make its request during Normal Business Hours via Landlord's commercially reasonable system, which is currently administered by providing Excess HVAC access cards to the Tenant each with a user name and pass code, which users may call into a phone center which will prompt the caller

to program their access to Excess HVAC. There shall be a one (1)-hour minimum charge for Excess HVAC when such Excess HVAC is ordered. Tenant's request shall be deemed conclusive evidence of its willingness to pay the cost for excess HVAC pursuant to this Section 11.9. Notwithstanding anything to the contrary in the Lease or this Third Amendment, the cost for Excess HVAC for the Expansion Premises shall not exceed Landlord's reasonable cost thereof, which shall only include the actual cost of utilities charged by the 3rd-party utility provider, plus a reasonable allowance for accelerated depreciation and additional maintenance for the Building HVAC systems as a result of the Excess HVAC used by Tenant in the Expansion Premises. Notwithstanding anything to the contrary in the Lease or this Third Amendment, in no event shall charges for Excess HVAC include an administrative, supervision or other like fee. As of the date of this Lease, Landlord's cost for the Expansion Premises Excess HVAC (and the after-hours charge to Tenant for Excess HVAC) is $43.12per hour, for the tenth (10th) and eleventh (11th) floors, and $27.46 per hour for the twelfth (12t") floor, subject to changes in Landlord's actual costs for providing Excess HVAC (which shall be substantiated in writing to Tenant).

11.10 Internal Staircase. Subject to Landlord's approval of the final Plans and Specifications (as defined in Exhibit B) (which approval shall not be unreasonably withheld, conditioned or delayed), Tenant shall have the right but not the obligation to construct an internal staircase connecting any full or partial floors leased by Tenant when such floors are immediately above or immediately below each other. If constructed, the staircase shall be subject to the terms of Section 7.1(c) of the Original Lease.

11.11 Roof Rights. Tenant's rights pursuant to Article 26 of the Original Lease shall continue during the New Expansion Premises Term, provided that during such New Expansion Premises Term Tenant shall be permitted to install a total of up to three (3) Satellite Dishes and related Connecting Equipment on the roof of the Building without the payment of rent or other charge to Landlord. Section 26.10 of the original Lease is hereby deleted in its entirety. In addition, subject to Landlord's prior approval of the plans and specifications, which approval shall not be unreasonably withheld, conditioned or delayed (and shall be deemed granted unless Landlord provides a detailed written reasonable disapproval thereof to Tenant within 5 business days after Landlord's receipt of written request). Tenant shall be permitted to install supplemental HVAC units on the rooftop without the payment of rent (but Tenant shall bear all other costs of such supplemental HVAC units), subject to Landlord's approval (which approval shall not be unreasonably withheld, conditioned or delayed) as to the plans and specifications therefor; failure of Landlord to reasonably disapprove such plans and specifications within five (5) business days after receipt thereof shall be deemed Landlord's approval of such plans and specifications. It shall be reasonable for Landlord to withhold its approval to such supplemental HVAC units on the rooftop if such installation and/or operation of the supplemental HVAC will adversely affect Building systems, the structure of the Building or the safety of the Building and/or its occupants.

12. **Base Year; Modification to Operating Expense Cap.** The Base Year for the Expansion Premises shall be calendar year 2015 ("**Expansion Premises Base Year**"). Effective on January 1, 2018, the Base Year for the Existing Premises shall be calendar year 2018 ("**Existing Premises Base Year**"). Tenant shall have no obligation to pay Operating Expenses for the Expansion Premises beginning (a) for the Tenth Floor Expansion Premises, on the Tenth Floor Expansion Commencement Date and (b) for the Eleventh Floor Expansion Premises, on the Eleventh Floor Expansion Premises Commencement Date and continuing in each case for twelve full calendar months after the applicable Expansion Premises Commencement Date.

The Expense Cap under Section 4.2 of the Original Lease shall apply to the Expansion Premises (in addition to the Existing Premises) effective on the Initial Expansion Premises Commencement Date. Effective on the Initial Expansion Premises Commencement Date, and notwithstanding any contrary provision of the Lease, the Expense Cap shall be amended to mean five percent (5%) on a cumulative basis per calendar year for the entire Premises.

13. **Building Lobby Renovations.** Landlord agrees to perform, at Landlord's sole cost and expense (and not as part of Operating Expenses) cosmetic renovations to the Building lobby (to include, without limitation, removal and /or re-skinning of the pink marble present in the Building lobby) and elevator cabs in a professional, first class manner during calendar year 2015. Such renovations will be consistent with the Class A character of the Building. The work shall be performed by Landlord's contractors at Landlord's sole cost and expense (and not as part of Operating Expenses), in accordance with Landlord's plans and specifications. For the avoidance of doubt, Tenant may, at Tenant's sole option and cost, re-design and/or replace its signage in such lobby as a result of such lobby renovations.

14. **Civil Code Section 1938 Disclosure.** Pursuant to California Civil Code Section 1938, Landlord hereby discloses that the Expansion Premises and the Existing Premises have not undergone an inspection by a Certified Access Specialist to determine whether the Premises meet all applicable construction-related accessibility standards.

15. **Acceptance of Expansion Premises.** Subject to the terms and conditions of this Third Amendment and the Lease (including, without limitation, Landlord's covenants, representations and warranties), Tenant has made its own inspection of and inquiries regarding the Expansion Premises. Therefore, subject to the terms and conditions of this Third Amendment and the Lease (including, without limitation, Landlord's covenants, representations and warranties), Tenant accepts the Expansion Premises in its "as-is" condition. Tenant further acknowledges that Landlord has made no currently effective representation or warranty, express or implied regarding the condition, suitability or usability of the Expansion Premises for the purposes intended by Tenant except as set forth in this Third Amendment or the Lease.

16. **Warranty of Authority.** If Landlord or Tenant signs as a corporation or limited liability company or a partnership, each of the persons executing this Third Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the applicable entity executing herein below is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Third Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

If either signatory hereto is a corporation, the person(s) executing on behalf of said entity shall affix the appropriate corporate seal to each area in the document where request therefor is noted, and the other party shall be entitled to conclusively presume that by doing so the entity for which said corporate seal has been affixed is attesting to and ratifying this Third Amendment.

17. **Broker Representation.** Landlord and Tenant represent to one another that it has dealt with no broker in connection with this Third Amendment other than Douglas Emmett Management, LLC and CBRE, Inc. Landlord and Tenant shall hold one another harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by the indemnifying party of such representation. Landlord agrees to pay all commissions due to the brokers listed above created by Tenant's execution of this Third Amendment.

18. **Confidentiality.** Landlord and Tenant agree that the covenants and provisions of this Third Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, which permitted disclosure shall include, but not be limited to, the board members, legal counsel and/or accountants of either Landlord or Tenant.

19. **Governing Law.** The provisions of this Third Amendment shall be governed by the laws of the State of California.

20. **Reaffirmation.** Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

21. **Submission of Document.** No expanded contractual or other rights shall exist between Landlord and Tenant with respect to the Expansion Premises, as contemplated under this Third Amendment, until both Landlord and Tenant have executed and delivered this Third Amendment, whether or not any additional rental or security deposits have been received by Landlord, and notwithstanding that Landlord has delivered to Tenant an unexecuted copy of this Third Amendment. The submission of this Third Amendment to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or an option for the Tenant to lease the Expansion Premises, or otherwise create any interest by Tenant in the Expansion Premises or any other portion of the Building other than the original Existing Premises currently occupied by Tenant. Execution of this Third Amendment by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Third Amendment to Tenant.

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document, effective the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means,
Senior Vice President

Dated: 6.26.2014

TENANT:

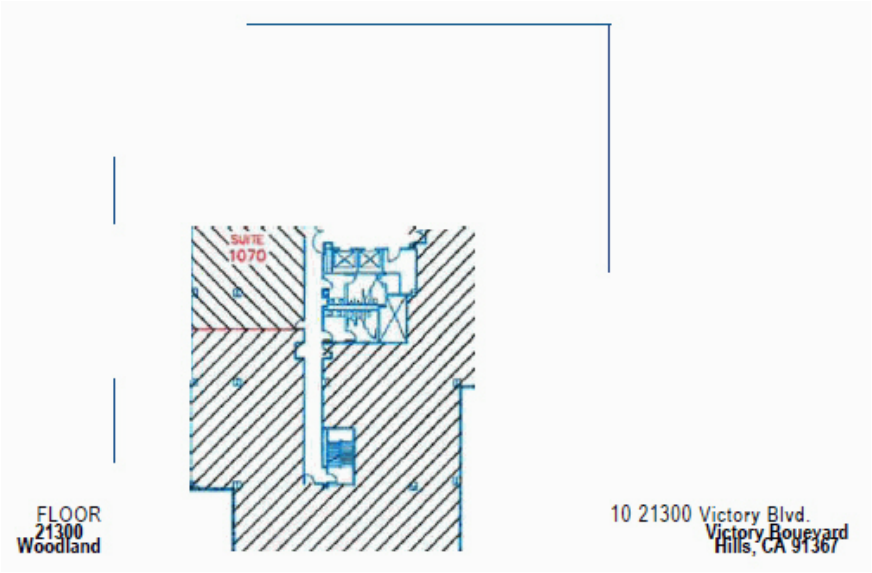
BLACKLINE SYSTEMS, INC., a California corporation

By: /s/ Therese Tucker
Name: Therese Tucker
Title: CEO
Dated: 6/25/14

EXHIBIT A

EXPANSION PREMISES PLANS

[SEE ATTACHED]


SUITE
1070
FLOOR
21300
Woodland
10 21300 Victory Blvd.
Victory Boulevard
Hills, CA 91367

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

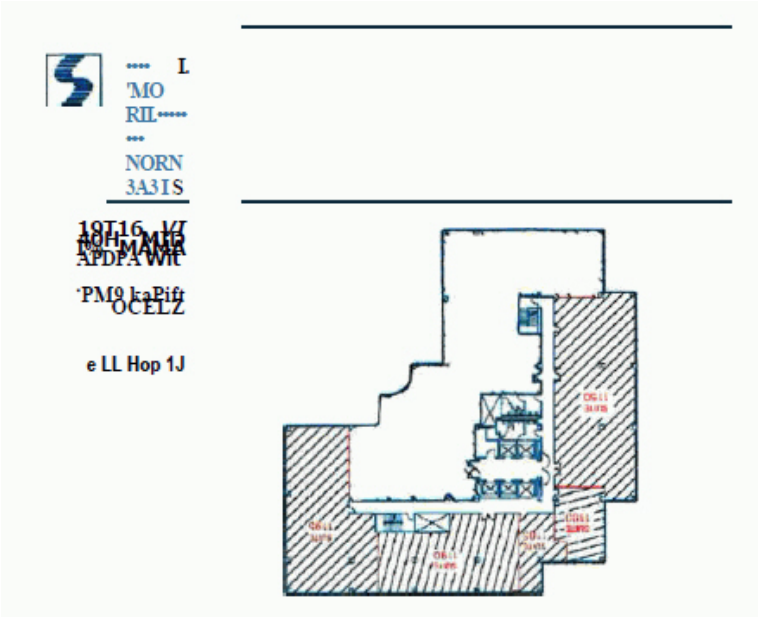


EXHIBIT B

IMPROVEMENT CONSTRUCTION AGREEMENT

CONSTRUCTION PERFORMED BY TENANT

Section 1. Tenant to Complete Construction. Tenant's general contractor (**"Contractor"**) shall furnish and install within the Expansion Premises and the Existing Premises (it being expressly understood that Tenant may use the Allowance and Space Planning Allowance for either or both of the Expansion Premises and/or Existing Premises) those items of general construction (the **"Improvements"**), shown on the final Plans and Specifications approved by Landlord. The definition of "Improvements" shall include all costs associated with completing the Improvements in accordance with applicable law, including, without limitation, all code compliance within the Premises, and including but not limited to, space planning, design, architectural, and engineering fees, contracting, labor and material costs, municipal fees, plan check and permit costs, and document development and/or reproduction. The Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; (iii) building material manufacturer's specifications and (iv) the Plans and Specifications.

All Tenant selections of finishes shall be indicated in the Plans and Specifications and shall be equal to or better than the minimum Building standards and specifications. Any work not shown in the Plans and Specifications or included in the Improvements such as, but not limited to, telephone service, furnishings, or cabinetry, for which Tenant contracts separately shall be subject to Landlord's reasonable, non-discriminatory policies and shall be conducted in such a way as to not unreasonably hinder or delay the work of Improvements. Subject to Landlord's approval of the final Plans and Specifications, Tenant shall have the right but not the obligation to construct an internal staircase connecting any full floors leased by Tenant. If constructed, the staircase(s) shall be subject to the terms of Section 7.1(c) of the Original Lease.

Tenant shall be entitled to install Meccho shades in the Premises as part of the Improvements.

Section 2. Tenant's Payment of Costs. Subject to Landlord's reimbursement as specified hereinbelow, Tenant shall bear any and all costs of the Improvements, and shall timely pay said costs directly to the Contractor. From time to time, Tenant shall provide Landlord with such evidence as Landlord may reasonably request that the Contractor has been paid in full for the work completed to-date.

In addition, Tenant shall reimburse Landlord for any and all of Landlord's reasonable third party out of pocket costs not to exceed $1,000 actually incurred in reviewing Tenant's Plans and Specifications or for any other "peer review" work associated with Landlord's review of Tenant's Plans and Specifications, including, without limitation, Landlord's reasonable third party out of pocket costs actually incurred in engaging any third party engineers, contractors, consultants or design specialists. Landlord shall engage such third parties only if reasonably necessary and shall explain to Tenant in advance in reasonable detail the need to engage them prior to doing so. Landlord shall also provide a good faith estimate of the cost of such review, the name(s) of the proposed third-party to be engaged, and shall give Tenant a reasonable opportunity to respond and modify any plans. Landlord shall use commercially reasonable efforts to engage the most cost-competitive qualified third parties. Tenant shall pay such costs to Landlord within thirty (30) days after Landlord's delivery to Tenant of a copy of the invoice(s) for such work, up to a maximum aggregate total of $1,000.

Section 3. Lien Waiver and Releases. If any liens arise against the Expansion Premises, the Existing Premises or the Building as a result of Tenant's Improvements, Tenant shall, at Tenant's sole expense, remove such liens and provide Landlord evidence that the title to the Building and Expansion Premises have been cleared of such liens, as required of Tenant under the Lease.

EXHIBIT B (Continued)

Section 4. No Supervisory Fee. Notwithstanding anything to the contrary herein, Landlord and its affiliates shall not be entitled to a supervisory fee or administrative fee in connection with the Improvements, and, notwithstanding anything to the contrary in this Third Amendment or the Lease, Landlord shall not be entitled to any other fees or charges in connection with the Improvements except as may be otherwise expressly provided in this Exhibit B.

Section 5. Landlord's Reimbursement of Tenant's Costs.

5.1 Allowances. In accordance with the terms and procedures specified below, Landlord shall pay to Tenant an allowance, not to exceed the sum of $50.00 per square foot of Rentable Area within Expansion Premises for the Improvements to be constructed in the Expansion Premises and/or Existing Premises, at Tenant's election (the **"Expansion Premises Allowance")** and an additional allowance not to exceed the sum of $30.00 per square foot of Rentable Area within Existing Premises for the Improvements to be constructed in the Existing Premises and/or Expansion Premises, at Tenant's election (the **"Existing Premises Allowance"** and when referred to collectively with the Expansion Premises Allowance, the **"Allowance").** Without limiting the foregoing, the Allowance is hereby increased by an additional $65,500.00, provided that Tenant, as opposed to Landlord, shall be responsible for any applicable code compliance in the restrooms in the Premises (i.e., all restrooms on the 10th, 11th and 12th floors) in connection with the construction of the Improvements. Without limiting the preceding 2 sentences, in addition to the Allowance and not a part of the Allowance, Landlord shall reimburse Tenant an amount, not to exceed the sum of $0.15 per square foot of Rentable Area within Expansion Premises and Existing Premises, for architectural services and space planning (the **"Space Planning Allowance").** Unused amounts of the Space Planning Allowance may be applied toward Improvements in the Expansion Premises and/or Existing Premises, at Tenant's election. The Allowance and the Space Planning Allowance shall be available for disbursement to the Tenant commencing on the date of the mutual execution and delivery of this Third Amendment, through the date (the **"Outside Allowance Date")** that is eighteen (18) months following the last to occur of the Tenth Floor Expansion Premises Commencement Date and the Eleventh Floor Expansion Premises Commencement Date, and thereafter Landlord shall have no obligation to disburse any portions of the Allowance or the Space Planning Allowance, provided, however, that if Tenant has complied with all of the conditions precedent required for disbursement of the Allowance and/or the Space Planning Allowance pursuant to this Exhibit B, prior to the Outside Allowance Date but Landlord has not yet disbursed such the amount requested then, subject to Tenant's compliance with the terms and conditions of this Exhibit B, Tenant shall be entitled to such disbursement. Landlord shall deliver written notice to Tenant not later than thirty (30) days prior to the Outside Allowance Date if at such time there is a balance remaining in the amount of the Allowance or the Space Planning Allowance. The Outside Allowance Date shall be extended day for day for each day Landlord fails to give such notice, for each day of a Landlord Delay and each day of delay caused by Force Majeure.

5.2 Use of the Allowance.

5.2.1 Allowance Items. Except as otherwise set forth in this Exhibit B, the Allowance and Space Planning Allowance shall be disbursed by Landlord only for the following items and costs (collectively, the **"Allowance Items"):**

5.2.1.1 Supplemental HVAC units and meters relating thereto, to the extent desired by Tenant;

5.2.1.2 The payment of plan check permit and license fees relating to construction of the Improvements and/or Tenant's signage;

5.2.1.3 The costs of design and construction of the Improvements, including without limitation, all hard and soft costs, acquisition and installation costs, space planning costs, testing and inspection costs, installation of built-in work stations, floor loading reinforcement costs, hoisting and trash removal costs, and contractors' fees and general conditions, provided that the Allowance or Space Planning Allowance may not be applied to the purchase of furniture or equipment or cabling or wiring or any other personal property, except as set forth below in Section 5.2.1.7. For the avoidance of doubt, the Allowance and Space Planning Allowance may be used by Tenant for either or both of the Existing Premises and/or the Expansion Premises;

EXHIBIT B (Continued)

5.2.1.4 The cost of any changes in the base, shell and core when such changes are required solely by the Plans and Specifications, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

5.2.1.5 The cost of any changes to the Plans and Specifications or the Improvements required by all applicable building codes, subject to Landlord's obligations under the Lease and this Third Amendment;

5.2.1.6 Payment of any fees and costs to approved "Tenant's Agents," as defined below in Section 6 (b); and

5.2.1.7 An amount (out of the Allowance and not in addition to the Allowance) not to exceed $5.00 per square foot of Rentable Area of the Expansion Premises and Existing Premises for the purchase and installation of furniture, fixtures and equipment to be used in the Premises.

5.2.2 Disbursement of the Allowance. During the design and construction of the Improvements, Tenant may request and Landlord shall make monthly disbursements of the Allowance and the Space Planning Allowance for the Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

5.2.2.1 Disbursements. Tenant may request monthly progress payments out of the Allowance in accordance with this Section 5.2.2.1. In connection with the foregoing, and not more than once each calendar month, Tenant shall deliver to Landlord: (i) a request for payment approved by Tenant detailing the work completed; (ii) invoices from the Contractor and its subcontractors and suppliers for labor rendered and materials delivered to the Expansion Premises and, if applicable, the Existing Premises; and (iii) conditional mechanic's lien releases from all of Tenant's Agents performing the Improvements for which the applicable payment is requested which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 8138. Within thirty (30) days after Landlord has received all of the items in the foregoing clauses (i) through (iii), Landlord shall deliver a check to Tenant payable to Tenant, or, at Tenant's sole election, a check payable jointly to Tenant and Contractor in payment of the lesser of: (A) the amounts so requested by Tenant, less an amount, to the extent not already reflected in Tenant's request for payment as the retention provided for in the construction contract, equal to the lesser of (i) a ten percent (10%) retention, or (ii) the retention provided for in the construction contract approved by Landlord (the aggregate amount of such retentions to be known as the "Final Retention"), and (B) the balance of any remaining available portion of the Allowance, not including the Final Retention. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

Tenant may request the entire amount of the Space Planning Allowance in one or more disbursements without retention and Landlord shall disburse the same within thirty (30) days after receipt of a paid invoice evidencing the architectural and space planning services paid for with respect to the Premises. The invoice shall be on the service provider's customary invoice delivered to third parties for payment. At Tenant's option, Landlord shall make payment of the Space Plan Allowance, or any portion thereof, directly to the service provider(s), in which event, Landlord shall pay the service provider(s) in question within such 30-day period and the invoices provided to Landlord as evidence of the costs will not be required to be previously paid by Tenant.

EXHIBIT B (Continued)

5.2.2.2 Final Retention. Subject to the provisions of this Exhibit B, a check for the Final Retention payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Improvements, provided that (i) Tenant delivers to Landlord properly executed mechanics lien releases in compliance with both California Civil Code Section 8138, (ii) Landlord has reasonably determined that no substandard work exists which materially adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building, and (iii) Tenant delivers to Landlord a certificate from the Architect or Contractor, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Expansion Premises has been substantially completed.

5.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Allowance and Space Planning Allowance to the extent costs are incurred by Tenant for the Allowance Items.

5.3 Notwithstanding anything to the contrary in the Lease or this Third Amendment, Landlord agrees to pay, at its sole cost and expense, and not from the Allowance or the Space Planning Allowance, any increased costs in the performance of the Improvements (including, without limitation, increased costs in obtaining permits) to the extent resulting from any of the following (each, a **"Landlord TI Event"):** (a) the presence of Hazardous Materials (such as, by way of example, asbestos or mold), present in the Expansion Premises or Existing Premises (unless the presence of Hazardous Materials in the Existing Premises is caused by Tenant or any Tenant Party) or Building as of the Expansion Delivery Dates, or (b) violation of any applicable law or Code (provided that Tenant, as opposed to Landlord, shall be responsible for any applicable Code compliance in the restrooms in the Premises (i.e., all restrooms on the 10", 11" and 12 floors) in connection with the construction of the Improvements), rule, regulation or ordinance existing in the Building or Expansion Premises (including, without limitation, the Americans With Disabilities Act and any like State of California requirements), as of the date of this Third Amendment, but, with respect to the Expansion Premises (as opposed to the Building, it being understood that Tenant shall not be responsible for any portion of the Building outside of the Premises), on an "as-is" and unoccupied basis, as of the date of this Third Amendment, excluding any of the Improvements to be constructed, or modifications to the Expansion Premises required by applicable law in connection with the installation of the Improvements to be constructed in the Expansion Premises by Tenant, such as but not limited to exiting modifications due to the configuration of the Expansion Premises as built out by Tenant or fire life safety requirements and improvements required by applicable law for the Expansion Premises, or (c) any construction or design defect in the Premises or Building that is known by Landlord as of the date hereof, but that would not be reasonably discoverable by Tenant or Tenant's Agents upon a reasonable inspection or a licensed architect's field inspection, and, based on the information known to Landlord as of the date hereof, would reasonably be expected to materially delay or increase the cost (or change the scope) of the performance of the Improvements. The Contractor shall perform, at Landlord's sole cost and expense (and not from the Allowance or the Space Planning Allowance), provided such costs shall be commercially reasonable, **all** reasonable work to the extent reasonably necessary relating to each Landlord TI Event affecting the Improvements (or any portion thereof (subject to Landlord's prior review of the written plans and written bids therefor in reasonable detail), and Landlord shall timely and promptly pay the Contractor directly for such work within thirty (30) days after invoicing. Without limiting the foregoing, to the extent that, at any time during the Term, the Improvements (or any other alterations or improvements) or governmental requirements require the alteration or removal of any shaft above the ceiling vent (unless such shaft is installed by Tenant), or such alteration or removal is otherwise required, then Landlord's contractor shall, at Landlord's sole cost and expense, alter or remove the shaft (together with all related restoration, repair and other work, such as, by way of example, removing the shaft from the Building in its entirety, if necessary, and restoring the other floors in the Building as a result thereof) to the extent reasonably required to accommodate the installation of the Improvements (or any other alterations or improvements) without delaying Tenant's construction thereof.

EXHIBIT B (Continued)

Section 6. Section 6. Retention of Professionals; Pre-Construction Requirements and Approvals. Prior to Tenant or Contractor commencing any work:

a) Tenant shall retain an architect/space planner, subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed (the "Architect"), and which approval shall be deemed granted unless Landlord provides a reasonable disapproval prior to the third (3rd) business day after receipt by Landlord of Tenant's proposed Architect. Notwithstanding anything to the contrary herein, Tenant may, at Tenant's sole option, and without the need for approval by Landlord, use DLR Group as the Architect (including, without limitation, for MEP and structural design. The Architect shall prepare the Space Plan. The Architect shall prepare the Space Plan.

b) Contractor, and its subcontractors and suppliers, shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall deliver to Landlord notice of its proposed Contractor not later than ten (10) business days after the mutual execution of this Third Amendment, and Landlord shall approve or reject the same within three (3) business days after the receipt of notice of Tenant's proposed Contractor provided that such approval shall be deemed granted unless Landlord provides a reasonable disapproval prior to the third (3rd) business day after the receipt of notice of Tenant's proposed Contractor. Tenant shall cause Contractor to execute and deliver to Landlord the Agreement By Contractor of Indemnification/Hold Harmless of Landlord attached to this Exhibit B as Schedule 1. Notwithstanding anything to the contrary herein, Tenant may, at Tenant's sole option, and without the need for approval by Landlord, use Sierra Pacific Constructors as the Contractor, and/or DLR Group for mechanical, electrical and plumbing, and/or for any structural, work. Contractor shall provide Landlord with a true, complete and correct copy of the construction contract between Contractor and Tenant. So long as the same are reasonably cost competitive, Contractor shall use Landlord's preferred fire-life safety and heating, venting, air-conditioning subcontractors for such work. All subcontractors, laborers, materialmen, and suppliers, and the Contractor, Architect and Engineers shall be known collectively as "Tenant's Agents". During completion of the Improvements, Tenant and Tenant's Agents shall use commercially reasonable efforts avoid creating disputes or conflicts between any labor personnel hired by Tenant or Tenant's Agents and unionized workforce or trades engaged in performing other work, labor or services in or about the Building or in the vicinity. If any dispute or conflict occurs, Tenant, upon demand by Landlord, shall use commercially reasonable efforts to attempt to resolve such dispute or conflict. Tenant shall indemnify and hold Landlord harmless from and against all claims, suits, demands, damages, judgments, costs, interest and expenses (including attorneys fees and costs incurred in the defense thereof) to which Landlord may be subject or suffer when the same arise out of or in connection with the use of, work in, construction to, or actions in, on, upon or about the Expansion Premises by Tenant or Tenant's agents, contractors, directors, employees, licensees, officers, partners or shareholders, including any actions relating to the installation, placement, removal or financing of the Improvements and any other improvements, fixtures and/or equipment in, on, upon or about the Expansion Premises. Notwithstanding the foregoing or anything to the contrary in this Third Amendment or the Lease, Tenant shall have no obligation whatsoever to use union labor (or any other labor subject to a collective bargaining agreement).

c) All Plans and Specifications shall be subject to Landlord's reasonable prior approval, which approval shall not be unreasonably withheld or delayed and shall be deemed granted if Landlord does not reasonably disapprove the Plans and Specifications within five (5) business days of receipt of such Plans and Specifications from Tenant. Notwithstanding anything contained in this Exhibit B to the contrary, and without limiting Landlord's reasonable discretion to withhold its approval hereunder, it shall be deemed reasonable for Landlord to deny its consent to any aspect of the Plans and Specifications that (i) adversely affect Building systems, the structure of the Building or the safety of the Building and/or its occupants, (ii) would violate any applicable governmental laws, rules or ordinances; (iii) would require any changes that adversely impact the base, shell and core of the Building, and/or (iv) are materially inconsistent with the standards of first class office buildings in the vicinity of the Building, as reasonably determined by Landlord and the Contractor. Landlord shall provide a written statement of any disapproval of any Plans and Specifications stating the reasonable reasons for Landlord's disapproval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Plans and Specifications as set forth in this Section 6, shall be for its

sole purpose and shall not imply Landlord's approval of the same, or obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Plans and Specifications are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Tenant agrees that Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Plans and Specifications, except to the extent Landlord delivered to Tenant or any of Tenant's Agents incorrect base building plans or other written information regarding the Building and such incorrect base building plans or written information caused such errors or omissions. After the mutual execution and delivery of this Third Amendment by Landlord and Tenant, Tenant shall promptly cause the Architect to complete the architectural and engineering drawings for the Expansion Premises and, if applicable, the Existing Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Plans and Specifications") and shall submit the same to Landlord for Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed and shall be deemed granted unless Landlord provides a written reasonable disapproval thereof to Tenant within five (5) business days after Landlord's receipt of the Plans and Specifications. Tenant shall supply Landlord with two (2) copies certified by the Architect of such Plans and Specifications. If reasonably and timely requested by Landlord, Tenant shall revise the Plans and Specifications in accordance with such review and any reasonable disapproval of Landlord timely provided by Landlord to Tenant in connection therewith. The Plans and Specifications must be approved (which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall be deemed granted as set forth herein) by Landlord prior to the commencement of construction of the Expansion Premises by Tenant. Concurrently with Tenant's submittal of the Plans and Specifications to Landlord for its approval hereunder, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits (provided that such submission shall be at Tenant's sole risk and shall not alter or modify Landlord's right to reasonably approve the Plans and Specifications in accordance with the terms hereof). Tenant hereby agrees that, subject to the terms and conditions of this Exhibit B, neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy (or their substantial equivalent) for the Expansion Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy at no material cost to Landlord. No material changes, modifications or alterations in the Plans and Specifications may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld or delayed and shall be deemed granted unless Landlord delivers a written reasonable disapproval thereof to Tenant within five (5) business days following submission by Tenant.

d) Prior to the commencement of the construction of the Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the construction contract with Contractor. Notwithstanding anything to the contrary herein, Landlord and its affiliates shall not be entitled to a supervisory fee or administrative fee in connection with the Improvements, and, notwithstanding anything to the contrary in this Third Amendment or the Lease, Landlord shall not be entitled to any other fees or charges in connection with the Improvements except as may be otherwise expressly provided in this Exhibit B.

e) Contractor shall submit to Landlord verification of public liability and workmen's compensation insurance as reasonably required by Landlord's Building manager (which requirements shall be delivered to Tenant in writing on or before this Third Amendment is fully executed).

EXHIBIT B (Continued)

f) Landlord and Tenant agree that if the Improvements are actually constructed by Tenant's Contractor at a cost which is less than the Allowance or Space Planning Allowance there shall be no monetary adjustment between Landlord and Tenant or offset against Rent or other sums owed by Tenant to Landlord under the Lease and the entire cost savings shall be retained by Landlord and relinquished by Tenant.

Section 7. Landlord's Administration of Construction. Tenant's Contractor and its subcontractors and suppliers shall be subject to Landlord's reasonable administrative control and supervision; provided, however, notwithstanding anything to the contrary herein, no supervision or administrative or other fees or charges shall be charged by Landlord or any affiliate of Landlord. Landlord shall provide the Contractor and its subcontractors free parking in the Building parking facility and reasonable access to the Building, the Building parking facilities, the Existing Premises and the Expansion Premises twenty-four (24) hours per day, seven (7) days per week, provided that Tenant and its contractors schedule such access in advance as may be reasonably requested by the Building's property manager, so as to timely complete the Improvements; reasonable use of the freight elevators and loading docks for the movement of Contractor's and its subcontractor's materials and laborers free of charge. Landlord shall not charge Tenant for Contractor's and subcontractors' parking, elevator use, utilities or HVAC during construction of the Improvements and while such Contractor and subcontractors are performing the Improvements. Tenant's subcontractors shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's subcontractors of any changes which are necessary thereto, and Tenant's subcontractors shall substantially adhere to such corrected schedule. Tenant shall, at no cost or expense to Tenant, abide by all reasonable, nondiscriminatory rules made by Landlord's Building manager with respect to the storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Exhibit B. From time to time during the construction of the Improvements Tenant shall, promptly upon reasonable request from Landlord, provide reasonable progress reports to Landlord regarding the progress of the preparation of plans and specifications and the construction of the Improvements. In addition, Landlord shall have the right to inquire of Tenant from time to time regarding meetings to be held between Tenant, the Architect and the Contractor, and shall have the right to attend any such meetings. Further, Landlord shall have the right to require Tenant, Architect and the Contractor to meet with Landlord to discuss the progress of the preparation of plans and specifications and the construction of the Improvements, as reasonably deemed necessary by Landlord.

Section 8. Fixed Date for Expansion Premises Commencement Dates. Tenant acknowledges and agrees that whether or not Tenant has completed construction of the Improvements, the Expansion Premises Commencement Dates shall be as set forth in Section 5 of the Third Amendment as extended day for day for each day Landlord fails to give the notice described in Section 5 and for each day of a Landlord Delay and each day of delay caused by Force Majeure.

Section 9. Compliance with Construction Policies. During construction of the Improvements, Tenant's Contractor shall adhere to the Construction Policies specified hereinbelow, which represent Landlord's minimum requirements for completion of the Improvements.

CONSTRUCTION POLICIES

The following policies outlined are the construction procedures for the Building. As a material consideration to Landlord for granting Landlord's permission to Tenant to complete the construction contemplated hereunder, Tenant agrees to be bound by and follow the provisions contained hereinbelow:

Section 10. Administration.

a) Contractors to notify Building Office prior to starting any work. No exceptions. **All** jobs must be scheduled by the general contractor or sub-contractor when no general contractor is being used.

EXHIBIT B (Continued)

b) The general contractor is to provide the Building Manager with a copy of the projected work schedule for the suite, prior to the start of construction.

c) Contractor will make sure that at least one set of drawings will have the Building Manager's initials approving the plans and a copy delivered to the Building Office.

d) As-built construction, including mechanical drawings and air balancing reports will be submitted at the end of each project.

e) The HVAC contractor is to provide the following items to the Building Manager upon being awarded the contract from the general contractor:

i) A plan showing the new ducting layout, all supply and return air grille locations and all thermostat locations. The plan sheet **should also include the location of any fire dampers.**

ii) An Air Balance Report reflecting the supply air capacity throughout the suite, which is to be given to the Chief Building Engineer at the finish of the HVAC installation.

f) All paint bids should reflect a one-time touch-up paint on all suites. This is to be completed approximately five (5) days after move-in date.

g) The general contractor must provide for the removal of all trash **and debris arising during the course** of construction. At no time are the building's trash compactors and/or dumpsters to be used by the general contractor's clean-up crews for the disposal of any trash or debris accumulated during construction. The Building Office assumes no responsibility for bins. Contractor is to monitor and resolve any problems with bin usage without involving the Building Office. Bins are to be emptied on a regular basis and never allowed to overflow. Trash is to be placed in the bin.

h) Contractors will include in their proposals all costs to include: additional security (if required), restoration of carpets, etc.

i) Any problems with construction per the plan, will be brought to the attention of and documented to the Building Manager.

Section 11. Building Facilities Coordination.

a) All deliveries of material will be made through the parking lot entrance.

b) Construction materials and equipment will not be stored in any area without prior approval of the Building Manager.

c) Only the freight elevator is to be used by construction personnel and equipment. Under no circumstances are construction personnel with materials and/or tools to use the "passenger" elevators.

Section 12. Housekeeping.

a) Suite entrance doors are to remain closed at all times, except when hauling or delivering construction materials.

b) All construction done on the property that requires the use of lobbies or common area corridors will have carpet or other floor protection. The following are the only prescribed methods allowed:

EXHIBIT B (Continued)

i) **Mylar** — Extra heavy-duty to be taped from the freight elevator to the suite under construction.

ii) **Masonite** —1/4 inch Panel, Taped to floor and adjoining areas. All corners, edges and joints to have adequate anchoring to provide safe and "trip-free" transitions. Materials to be extra heavy-duty and installed from freight elevator to the suite under construction.

c) Restroom wash basins will not be used to fill buckets, make pastes, wash brushes, etc. If facilities are required, arrangements for utility closets will be made with the Building Office.

d) Food and related lunch debris are not to be left in the suite under construction.

e) All areas the general contractor or their sub-contractors work in must be kept clean. All suites the general contractor works in will have construction debris removed prior to completion inspection. This includes dusting of all window sills, light diffusers, cleaning of cabinets and sinks. All common areas are to be kept clean of building materials at all times so as to allow tenants access to their suites or the building.

Section 13. Construction Requirements.

a) All Life and Safety and applicable Building Codes will be strictly enforced (i.e., tempered glass, fire dampers, exit signs, smoke detectors, alarms, etc.). Prior coordination with the Building Manager is required.

b) Electric panel schedules must be brought up to date identifying all new circuits added.

c) All electrical outlets and lighting circuits are to be properly identified. Outlets will be labeled on back side of each cover plate.

d) All electrical and phone closets being used must have panels replaced and doors shut at the end of each day's work. Any electrical closet that is opened with the panel exposed must have a work person present.

e) All electricians, telephone personnel, etc. will, upon completion of their respective projects, pick up and discard their trash leaving the telephone and electrical rooms clean. If this is not complied with, a clean-up will be conducted by the building janitors and the general contractor will be back-charged for this service.

f) Welding or burning with an open flame will not be done without prior approval of the Building Manager. Fire extinguishers must be on hand at all times.

g) All "anchoring" of walls or supports to the concrete are not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

h) All core drilling is not to be done during normal working hours (7:30 AM—6:00 PM, Monday through Friday). This work must be scheduled before or after these hours during the week or on the weekend.

i) All HVAC work must be inspected by the Building Engineer. The following procedures will be followed by the general contractor:

i) A preliminary inspection of the HVAC work in progress will be scheduled through the Building Office prior to the reinstallation of the ceiling grid.

EXHIBIT B (Continued)

ii) A second inspection of the HVAC operation will also be scheduled through the Building Office and will take place with the attendance of the HVAC contractor's Air Balance Engineer. This inspection will take place when the suite in question is ready to be air-balanced.

iii) The Building Engineer will inspect the construction on a periodic basis as well.

j) All existing thermostats, ceiling tiles, lighting fixtures and air conditioning grilles shall be saved and turned over to the Building Engineer.

Good housekeeping rules and regulations will be strictly enforced. The building office and engineering department will do everything possible to make your job easier. However, contractors who do not observe the construction policy will not be allowed to perform within this building. The cost of repairing any damages that are caused by Tenant or Tenant's contractor and not remedied within the notice and cure periods set forth in the Lease during the course of construction and not remedied within the notice and cure periods set forth in the Lease, shall be deducted from Tenant's Security Deposit, as may be permitted under the terms and conditions of Section 3.7 of the Lease.

LANDLORD:

DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: /s/ Michael J. Means
Michael J. Means
Senior Vice President

Dated: 6.26.2014

TENANT:

BLACKLINE SYSTEMS, INC., a California corporation

By: /s/ Therese Tucker

Name: Therese Tucker

Title: CEO

Dated: 6/25/14

Agreement By Contractor of Indemnification/Hold Harmless of Landlord
("Agreement")

Owner:

Douglas Emmett LLC

do Douglas Emmett Management, LLC
Director of Property Management 808
Wilshire Boulevard, Suite 200
Santa Monica, California 90401

Contractor:

Re: (the "Real Property")

The undersigned (referred to herein as "Contractor") has been engaged by ("Tenant") to perform work (the "Work") in or on the above referenced Real Property, which is owned by Douglas Emmett , LLC, a Delaware limited liability company ("Owner"), and managed by Owner's duly authorized agent, Douglas Emmett Management, LLC, a Delaware limited liability company ("Manager"). Contractor acknowledges and agrees that Contractor has reviewed and shall comply with the "Construction Policies" that are a part of the [Tenant Work Letter] attached as Exhibit to the Lease. Contractor also agrees that Contractor shall, and shall cause its subcontractors, agents and employees to (a) perform the Work and enter and exit the Real Property, elevators, and parking facilities in a manner that will not disturb any other tenants, subtenants or other occupants of the Real Property or any of their employees, officers or invitees; (b) engage in any demolition, anchoring of walls or supports, drilling, or conduct any other aspect of planning or construction or operate any equipment in Tenant's premises or any other part of the Real Property that may cause excessive noise, dust, vibrations or odors only during such hours as approved in writing in advance by Owner or Manager and only in the manner prescribed in writing by Owner or Manager; (c) comply with the Construction Policies or any written guidelines or instructions delivered to Contractor from Owner or Manager regarding performance of the Work; and (d) comply with applicable laws. Contractor understands and agrees that, prior to Contractor commencing the Work, Owner requires Contractor to provide the Landlord Parties (as hereinafter defined) with certain protections and that such protections are a material inducement to Owner's consent to allowing Contractor to perform the Work at the Real Property. Accordingly, Contractor hereby agrees to and/or shall comply with the following:

1. Contractor shall indemnify and hold harmless Owner and Manager and their respective affiliates, members, interest holders, managing members, officers, directors, partners, employees, agents, predecessors, successors and assigns (hereinafter collectively referred to as "Landlord Parties" and individually a "Landlord Party") from and against all liabilities, claims, damages, losses, liens, causes of actions, judgments, costs and expenses, of whatever kind or nature, including without limitation, bodily injury or death (whether or not those injured or deceased are performing work under this Agreement or are affiliated with the parties hereto), property damage, costs of litigation (including, without limitation, actual attorneys' fees and costs) (collectively, "Claims") arising out of or resulting from (1) the failure of Contractor or any of its subcontractors, employees or agents to comply with the requirements set forth in clauses (a), (b), (c) or (d) above; or any other obligation of Contractor under this Agreement, (2) the negligent acts or omissions of Contractor, its owners, agents, servants, employees, or subcontractors, or (3) the Work performed by

Contractor. This indemnification obligation shall not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for Contractor or its subcontractors under workers compensation or disability laws. Contractor's duty to indemnify shall include and extend to (i) situations in which Contractor has been negligent in the screening, hiring and training of its employees, contractors and subcontractors, said negligence of which causes liability in which any Landlord Party is alleged to be responsible for any Claims arising out of such negligent screening, hiring or training; and (ii) Claims for labor performed, equipment, tools, supplies or materials used or furnished in the performance of Contractor's services, including any costs and expenses incurred in the defense of such Claims and any damages to any Landlord Party resulting from such Claims.

2. Contractor agrees after written demand to immediately cause the effect of any suit or lien to be removed from the Real Property and in the event Contractor shall fail to do so, Owner is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed and the costs thereof, together with attorneys' fees shall be immediately due and payable by Contractor to Owner. In the event a suit is brought against any Landlord Party or if any Landlord Party is named as a defendant in any suit against Contractor or Tenant, Contractor shall, at the option of Owner in Owner's sole discretion, defend the Landlord Parties with counsel selected by Contractor and acceptable to Owner, in Owner's reasonable discretion. Contractor shall pay any and all costs and expenses in connection therewith as well as all additional costs and expenses incurred in such suit, including without limitation, professional fees such as expert fees, and/or appraisers' and accountants' fees, and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the court in such suit. Contractor may litigate any such lien or suit provided Contractor causes the effect thereof to be removed from the Real Property promptly in advance.

3. Contractor shall promptly pay all indebtedness incurred in Contractor's performance of the Work. Should any lien or charge attach to the Real Property by reason of Contractor's failure to pay such indebtedness, Contractor shall promptly procure the release of any such lien or charge and shall indemnify, defend (with counsel reasonably approved by Owner) and hold the Landlord Parties harmless from all loss, cost damage or expense incidental thereto.

4. If at any time there should be evidence of any lien or claim for which Owner or Manager is or might become liable, or for which the Real Property is, or might become subject to and which is chargeable to Contractor or any of its subcontractors, after allowing Contractor thirty (30) days to remove such lien, Owner or Manager shall have the right to retain out of any amounts due Contractor (as in for example, disbursements of any tenant improvement allowance), which shall be above and beyond any retention amounts, an amount sufficient to clear the lien or claim and completely indemnify the Landlord Parties against such lien or claim along with all associated costs, which shall in no way serve as an election of remedies by Owner or Manager. Contractor may obtain possession of the retained amount, provided that Contractor (a) posts a bond or other security in an amount sufficient to fully indemnify the Landlord Parties against the lien or claim, and (b) obtains Owner or Manager's approval as to the adequacy and quality of the bond or security, which Owner or Manager shall not unreasonable withhold. The cost of any such bond shall be borne by Contractor.

5. Contractor shall not take and is not authorized to take any action in the name of or otherwise on behalf of Owner or Manager which would violate any applicable law. If Contractor knowingly performs any Work or engages in any other activities contrary to applicable law, Contractor shall bear any and all additional costs resulting therefrom, including, but not limited to, the costs of correcting the Work or repairing the Real Property to comply with such law and the cost of fully indemnifying the Landlord Parties from all violations.

6. Contractor shall immediately cause all Landlord Parties to be released from any liability or penalty which may be imposed on Contractor, its employees, agents or subcontractors by reason of any alleged violation or violations of applicable law by Contractor in performance of the Work.

7. Contractor waives any right to consequential, special or indirect damages or loss of anticipated profits, except for acts of gross negligence or intentional misconduct by Owner or Manager. Notwithstanding anything else contained herein to the contrary, Contractor shall look solely to Owner's interest in the Real Property and any proceeds from a sale of the Real Property that actually remain undistributed, for satisfaction of any liabilities or obligations of Owner under this Agreement. No Landlord Party shall be personally liable for any such liabilities or obligations whatsoever.

8. If litigation is instituted between Owner and Contractor, the cause for which arises out of or in relation to this Agreement, the prevailing party in such litigation shall be entitled to receive its costs (not limited to court costs), expenses and reasonable attorneys' fees from the non-prevailing party as the same may be awarded by the court.

It is expressly understood and agreed that the foregoing provisions shall survive the termination or expiration of any agreement between Contractor and Tenant.

ALL OF THE ABOVE TERMS ARE AGREED TO AND ACKNOWLEDGED BY:

Signature	_____	Company Name	_____
Title	_____	Street Address	_____
Date	_____	City, State, Zip	_____

EXHIBIT C

TEMPORARY SPACE
DEMOLITION PLAN

[ATTACHED]

[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

Warner Corporate Center

21300 Victory Boulevard,
Woodland Hills, California 91367

Suites 600/630/690 10,323 RSF Contiguous

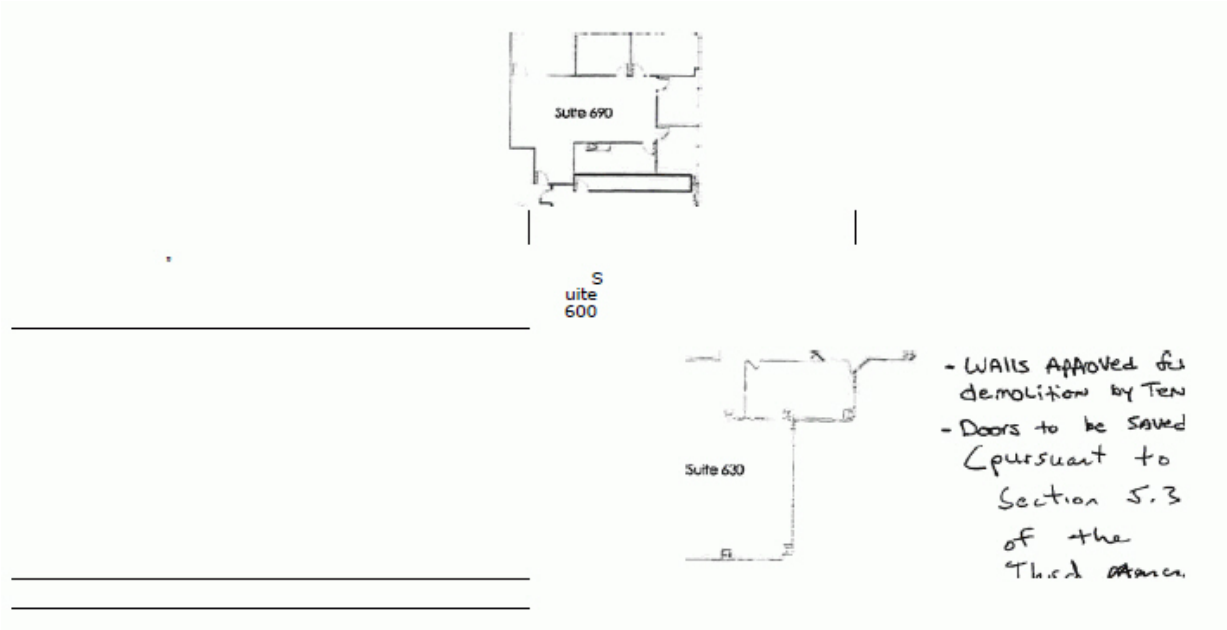


EXHIBIT D

BASE BUILDING DEFINITION

The Base, Shell and Core of each floor of the Premises shall be structurally sound and in good working order. To the extent there is any conflict between the terms of this Base, Shell and Core definition and the terms of the Lease, as amended, the terms of the Lease, as amended, shall govern.

1. Men's and Women's restrooms to be provided on each floor of the Premises, subject to the terms of the Lease.

2. Landlord to provide all required step down transformers and panel boards within the Building's electrical closets for distribution of the power requirement set forth in the Lease. Tenant, at its own cost and expense shall have the right to install additional electrical power capacity of electrical power capacity (including panels and transformers), if needed, subject to Landlord's prior review and written approval of the plans and specifications for the same;

3. Adequate capacity for Code required egress lighting and exit lighting.

4. The Building's main duct loop(s) to be properly insulated with aluminum foil facing, with return air and smoke and fire dampers as required by Code.

5. The noise levels within the Premises shall not exceed NC 35.

6. Landlord to provide sprinkler protection consisting of mains, laterals and uprights installed, at a minimum, in numbers according to Code for unoccupied space.

7. Building fire protection and fire/life safety alarm and communication system installed according to Code as of the date the Building was certified for occupancy.

8. Life safety infrastructure including panels and power sources. Landlord to provide adequate electrical capacity within the Building's fire alarm system to provide for Tenant's fire life safety requirements on each floor of the Premises, subject to Landlord's review of Tenant's Plans and Specifications.

9. All hazardous materials removed in compliance with Code.

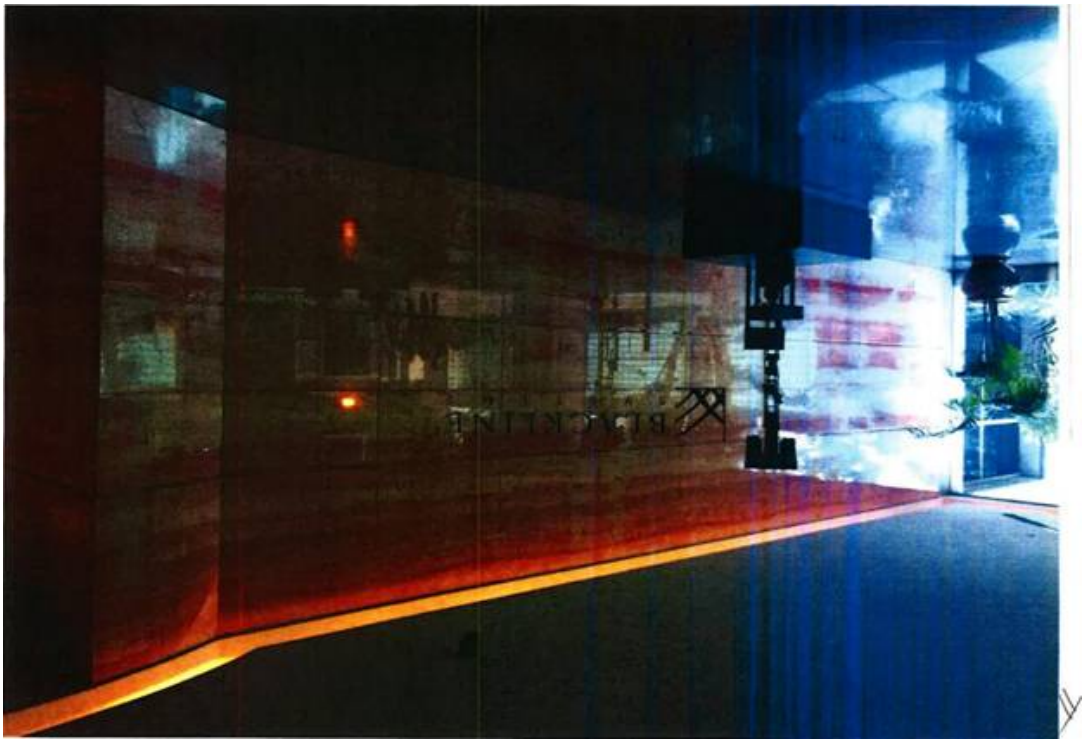
10. Illuminated exit signage at stairwells and as required for unoccupied premises.

11. All exterior windows (including, without limitation, all panels) in the Expansion Premises, and all window coverings and treatments for such windows in the Expansion Premises, shall be delivered in good condition and working order.

EXHIBIT E

LOBBY SIGNAGE

[ATTACHED]



[***] = CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THIS OMITTED INFORMATION.

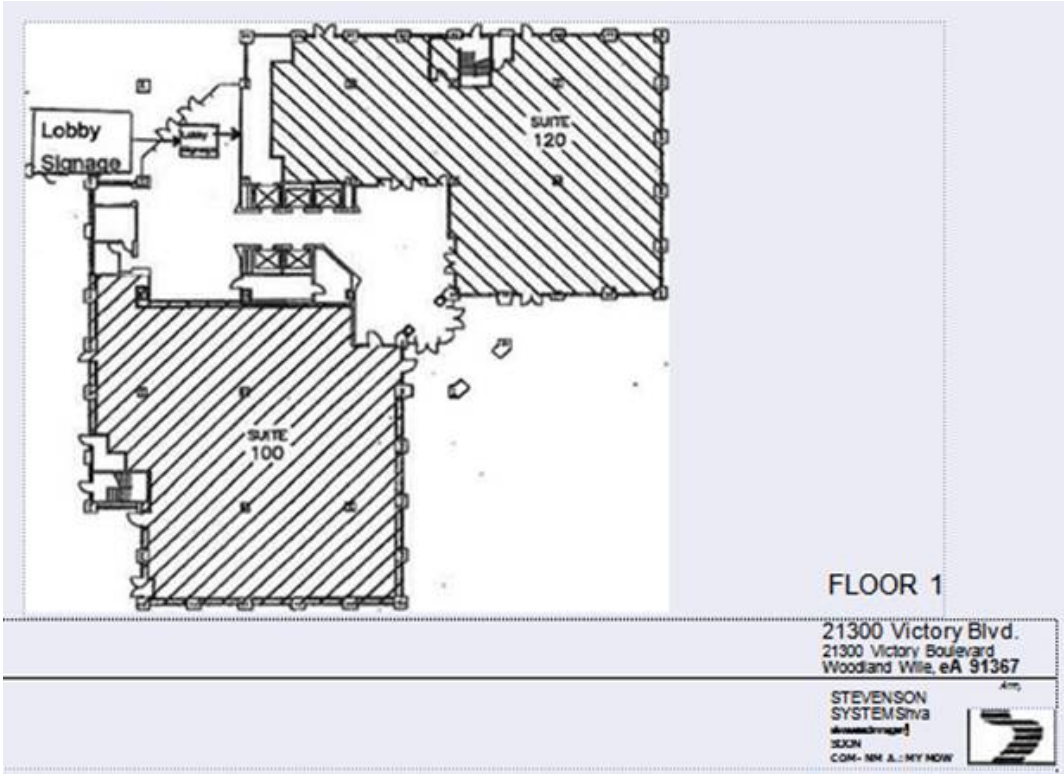


Exhibit 10.29

FOURTH AMENDMENT TO OFFICE LEASE

This Fourth **Amendment to Office Lease** (this "Fourth Amendment"), dated January 29, 2015 is made by and between DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company ("Landlord"), and BLACKLINE SYSTEMS, INC., a California corporation ("Tenant").

WHEREAS,

A. Landlord, pursuant to the provisions of that certain Office Lease, dated November 22, 2010 and a certain Memorandum of Lease Term Dates and Rent dated April 21, 2011 (the "Original Memorandum", and collectively, the **"Original Lease");** as amended by a certain First Amendment to Office Lease dated August 14, 2012 (the **"First Amendment");** as further amended by a certain Second Amendment to Office Lease dated December 26, 2013 (the **"Second Amendment")** and as further amended by a certain Third Amendment to Office Lease dated June 24, 2014 (the **"Third Amendment"** together with the Original Lease, the First Amendment, and the Second Amendment, the "Lease"), leased to Tenant and Tenant leased from Landlord space in the property located at 21300 Victory Boulevard, Woodland Hills, California 91367 (the **"Building"),** commonly known as Suites 1000, 1050, 1070 1100, 1150, 1180, 1185, **1190,** 1195 and 1200 (the **"Premises");**

B. In connection with Tenant's construction of the Improvements (as defined in the Third Amendment) on the eleventh (I l'[1]) floor of the Building, the City of Los Angeles has advised Tenant that it will require certain occupancy load modifications;

C. Tenant has requested that Landlord execute and deliver to the City of Los Angeles the Covenant and Agreement Regarding Maintenance of the Building in the form attached hereto as Exhibit A (the **"Covenant"),** which Covenant modifies certain occupancy loads on the eleventh (11th) floor of the Building; and

D. As an accommodation to Tenant Landlord has agreed to execute, notarize and deliver the Covenant to Tenant, subject to Tenant's compliance with the terms and conditions of this Fourth Amendment.

Landlord and Tenant, for their mutual benefit, wish to revise certain other covenants and provisions of the Lease.

NOW, THEREFORE, in consideration of the covenants and provisions contained herein, and other good and valuable consideration, the sufficiency of which Landlord and Tenant hereby acknowledge, Landlord and Tenant agree:

1. Confirmation of Defined Terms. Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Fourth Amendment.

2. Execution of Covenant. Landlord shall execute, notarize and deliver the Covenant to Tenant after Tenant's execution and delivery of this Fourth Amendment, and Landlord shall use its good faith diligent efforts to execute, notarize and deliver the Covenant to Tenant as soon as commercially practicable after Landlord's receipt of the Tenant-executed original of this Fourth Amendment. Landlord agrees that Tenant or the City of Los Angeles may record the Covenant in the official records of the County of Los Angeles. The benefits of the Covenant shall apply only to Tenant or an Affiliate and to no other parties. Tenant acknowledges and agrees that Landlord's execution of the Covenant is for the sole purpose of accommodating Tenant's construction requirements and, notwithstanding that Landlord is the nominal signatory of the Covenant, it is the intent of the parties that Tenant shall be responsible for insuring compliance under the terms of the Covenant. None of the Landlord Parties nor Landlord's lender shall have any obligations or liabilities with respect to the Covenant and Tenant hereby represents, warrants and covenants that Tenant shall be responsible for any costs and other liabilities associated with the Covenant and compliance therewith. All obligations and indemnities of Tenant under Sections 3 and 4 of this Fourth Amendment shall survive the termination of the Lease.

3. Release of Covenant. Upon expiration or termination of the Lease or at any time Tenant no longer occupies the eleventh (11th) floor of the Building, Tenant shall cause the release of the Covenant (including release of the recorded covenant from official Los Angeles County real property records) at Tenant's sole cost and expense.

4. Indemnity. Tenant hereby agrees to indemnify, defend and hold harmless the Landlord Parties against any costs or expenses (including reasonable attorneys' fees and expenses), judgments, liens, fines, losses, claims, damages, liabilities, penalties and amounts paid in settlement or compromise in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative, regulatory or investigative wherever asserted, arising out of, relating to or in connection with the Covenant.

5. Warranty of Authority. If Landlord or Tenant signs as a corporation, or a limited liability company or a partnership, each of the persons executing this Fourth Amendment on behalf of Landlord or Tenant hereby covenants and warrants that the applicable entity executing herein below is a duly authorized and existing entity that is qualified to do business in California; that the person(s) signing on behalf of either Landlord or Tenant have full right and authority to enter into this Fourth Amendment; and that each and every person signing on behalf of either Landlord or Tenant are authorized in writing to do so.

6. Confidentiality. Landlord and Tenant agree that, except for matters or record or as required by applicable law, the covenants and provisions of this Fourth Amendment shall not be divulged to anyone not directly involved in the management, administration, ownership, lending against, or subleasing of the Premises, other than Tenant's or Landlord's counsel-of-record or leasing or sub-leasing broker of record.

7. Governing Law. The provisions of this Fourth Amendment shall be governed by the laws of the State of California.

8. Reaffirmation. Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Premises, and supersedes any and all other agreements written or oral between the parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

9. Civil Code Section 1938 Disclosure. Pursuant to California Civil Code Section 1938, Landlord hereby discloses that the Premises have not undergone an inspection by a Certified Access Specialist to determine whether the Premises meet all applicable construction-related accessibility standards.

10. Counterpart Signatures. This. Fourth Amendment may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same agreement. The parties agree to accept a digital image (including in PDF format) of this Fourth Amendment, as executed, as a true and correct original.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this document, effective as of the later of the date(s) written below.

LANDLORD:

DOUGLAS EMMETT 2008, LLC, a Delaware limited liability company

By: Douglas Emmett Management, Inc., a Delaware corporation, its Manager

By: _____
Andrew B. Goodman
Senior Vice President

Dated:

TENANT:

BLACKLINE SYSTEMS, INC., a California corporation

By: /s/ Charles Best
Name: Charles Best

Title: Cheif Accounting Officer

Dated: 1/29/15

EXHIBIT A

See Attached

Recorded at the request of and mail to:

(Name)

(Address)

(City, State, & Zip)

Date of Recording:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT AND AGREEMENT
REGARDING MAINTENANCE OF BUILDING

(Pre-printed text shall not be changed except when done by an authorized Building and Safety employee.)

The undersigned hereby certify that we are the owners of the hereinafter legally described real property located in the City of Los Angeles, State of California.

LEGAL DESCRIPTION: **See Attached**
as recorded in Book _____, Page _____, Records of Los Angeles County, which property is located and known as:
(ADDRESS): **21300 W. Victory Blvd**
and in consideration of the City of Los Angeles allowing **max 60 occ in Rm 1103, occ load of 1 per 20 sf in Rm 1104A, 1104B, & 1104C, & maintain total occ load on 11th floor to < 500 occ (Blackline Tenancy Only)**
on said property, we do hereby covenant and agree to and with said City to **not change the use or layout of such rooms without obtaining a building permit and approval from LADBS and LAFD**

This Covenant and agreement shall run with all of the above described land and shall be binding upon ourselves and future owners, encumbrances, their successors, heirs, or assignees and shall continue in effect until released by the authority of the Superintendent of Building of the City of Los Angeles upon submittal of request, applicable fees, and evidence that this Covenant and agreement is no longer required by law.

CARTOGRAPHER'S USE ONLY	
	Owner's Name(s) _____ (Please type or print) _____ (Please type or print)
	Owner's Signature(s) _____ _____ (sign)
	Two Officers' Signatures Required for Corporations _____ (sign)
	Name of Corporation _____
	Dated this _____ day of _____ 20____

SIGNATURES MUST BE NOTARIZED

(STATE OF CALIFORNIA, COUNTY OF **LOS ANGELES**)

On _____ before me, _____,
personally appeared _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

FOR DEPARTMENT USE ONLY

MUST BE APPROVED BY the Dept. of Building and Safety prior to recording

Covenant for City Department _____
To be completed for City owned property only.

APPROVED BY: _____ Date: _____

Exhibit 16.1

February 8, 2016

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Dear Ladies and Gentlemen:

We have read the section entitled “Changes in and Disagreements with Accountants on Accounting and Financial Disclosure” in the Registration Statement on Form S-1 of BlackLine, Inc. (the “Company”) and agree with paragraphs 1, 2, and 3 in this section, except that we are not in a position to agree or disagree with the Company’s statement regarding the engagement of PricewaterhouseCoopers LLP in paragraph 1. We have no basis to agree or disagree with other statements of the Company contained therein.

/s/ Moss Adams LLP

Exhibit 21.1

LIST OF SUBSIDIARIES OF THE COMPANY

Name of Subsidiary	Jurisdiction of Incorporation
BlackLine Intermediate, Inc.	Delaware
BlackLine Systems, Inc.	Delaware
BlackLine CV, LLC	Delaware
BlackLine Coop, LLC	Delaware
Runbook Company Inc.	Delaware
BlackLine Systems Pty Ltd.	Australia
BlackLine Systems, Ltd.	Canada
BlackLine Systems S.a r.l.	France
BlackLine Systems Gmb H	Germany
Runbook, C.V.	Netherlands
BlackLine Coöperatief U.A.	Netherlands
Runbook Company BV	Netherlands
Runbook IP BV	Netherlands
Runbook International BV	Netherlands
BlackLine Systems Pte. Ltd.	Singapore
BlackLine Systems Limited	United Kingdom

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of BlackLine, Inc. of our report dated March 24, 2016 relating to the financial statements and financial statement schedule, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
September 30, 2016

Exhibit 23.3

March 23, 2016

Blackline, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, California 91367

Ladies and Gentleman,

We, Frost & Sullivan of 4, Grosvenor Gardens, London SW1W 0DH, United Kingdom, understand that BlackLine, Inc. (the "**Company**") plans to file an amendment to its registration statement on Form S-1 (the "**Registration Statement**") with the Securities and Exchange Commission (the "**SEC**") in connection with its proposed initial public offering (the "**Proposed IPO**").

We hereby consent to (i) the references to our name, (ii) inclusion of information, data and statements from, and references to our preparation of, the report titled "Global Total Addressable Market (TAM) Forecast Project – Assessing the Potential Market for Current Blackline, Inc. Products and Green Field Opportunity Value for Products in Development" and any subsequent amendments (the "**Industry Report**") and (iii) the statements in substantially the form set out in the Schedule hereto, as well as the citation of the Industry Report in the Registration Statement and any amendments thereto, in any other future filings with the SEC by the Company, in institutional and retail road shows and other activities in connection with the Proposed IPO and in other publicity materials in connection with the Proposed IPO.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement. We further consent to the reference to our firm, under the caption "Market and Industry Data" in the Registration Statement, as acting in the capacity of an expert in relation to the preparation of the Industry Report and the matters discussed therein.

Respectfully,

Frost & Sullivan

By: /s/ Jarad Carleton
Name: Jarad Carleton
Title: Principal Consultant & Project Manager

Schedule

According to a study we commissioned with Frost & Sullivan, in 2015 there were more than 46,000 corporate organizations in North America and more than 165,000 worldwide that are in our addressable market with revenues greater than $50 million. According to Frost & Sullivan, these companies employ over 13 million accounting and finance personnel, with over 5.5 million in North America alone, all of whom could be potential users of our software platform. Based on its assessment of the number of corporate organizations, accounting and finance personnel globally and certain assumptions regarding pricing of our products, Frost & Sullivan estimates that our total addressable market in 2015 was $7.2 billion in North America and $9.4 billion in Europe, Asia Pacific and Latin America, and is expected to grow to a global total addressable market of $19.7 billion by 2018.