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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.)*

HC2 Holdings, Inc.
(Name of Issuer)

Common Stock, $0.001 par value per share
(Title of Class of Securities)

90131T208
(CUSIP Number)

Alexander H. McMillan
Chief Compliance Officer
Benefit Street Partners L.L.C.
Providence Equity Capital Markets L.L.C.
9 West 57th Street, Suite 4700
New York, NY 10019
(212) 588-6700
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

with copies to:
Craig Marcus
Ropes & Gray LLP
800 Boylston Street
Boston, Massachusetts 02199
(617) 951-7802

May 29, 2014
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1.	Names of Reporting Persons. **Benefit Street Partners L.L.C.**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **Delaware**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **2,823,750**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **2,823,750**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **2,823,750**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **14.1%**
14.	Type of Reporting Person (See Instructions) **IA**

1.	Names of Reporting Persons. **Providence Equity Capital Markets L.L.C.**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **Delaware**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **867,426**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **867,426**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **867,426**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **4.7%**
14.	Type of Reporting Person (See Instructions) **IA**

1.	Names of Reporting Persons. **Jonathan M. Nelson**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **United States**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **3,691,176**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **3,691,176**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **3,691,176**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **17.8%**
14.	Type of Reporting Person (See Instructions) **IN**

1.	Names of Reporting Persons. **Paul J. Salem**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **United States**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **3,691,176**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **3,691,176**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **3,691,176**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **17.8%**
14.	Type of Reporting Person (See Instructions) **IN**

1.	Names of Reporting Persons. **Glenn M. Creamer**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **United States**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **3,691,176**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **3,691,176**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **3,691,176**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **17.8%**
14.	Type of Reporting Person (See Instructions) **IN**

1.	Names of Reporting Persons. **Thomas J. Gahan**
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ] (b) [ ]
3.	SEC Use Only
4.	Source of Funds (See Instructions) **OO**
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6.	Citizenship or Place of Organization **United States**

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power **0**	
	8. Shared Voting Power **3,691,176**	
	9. Sole Dispositive Power **0**	
	10. Shared Dispositive Power **3,691,176**	

11.	Aggregate Amount Beneficially Owned by Each Reporting Person **3,691,176**
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13.	Percent of Class Represented by Amount in Row (11) **17.8%**
14.	Type of Reporting Person (See Instructions) **IN**

ITEM 1. SECURITY AND ISSUER.

This Statement on Schedule 13D (this "Statement") relates to the Common Stock, $0.001 par value per share (the "Common Stock"), of HC2 Holdings, Inc., a Delaware corporation (the "Company"), whose principal executive offices are located at 460 Herndon Parkway, Suite 150, Herndon, VA 20170.

ITEM 2. IDENTITY AND BACKGROUND.

(a) This Schedule 13D is filed by Benefit Street Partners L.L.C. ("BSP"), Providence Equity Capital Markets L.L.C. ("PECM"), Jonathan M. Nelson, Paul J. Salem, Glenn M. Creamer and Thomas J. Gahan. Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons." Pursuant to the terms of the Securities Purchase Agreement entered into by and among the Company, the Providence Funds (as defined below) and certain other parties thereto, dated May 29, 2014 (the "SPA"), Providence Debt Fund III L.P., PECM Strategic Funding L.P., Providence Debt Fund III Master (Non-US) L.P. and Benefit Street Partners SMA LM L.P. (collectively, the "Providence Funds") acquired shares of Common Stock and Convertible Preferred Stock of the Company. BSP is the investment manager of Providence Debt Fund III L.P., Providence Debt Fund III Master (Non-US) L.P. and Benefit Street Partners SMA LM L.P. (collectively, the "BSP Funds"). PECM is the investment manager of PECM Strategic Funding L.P. Messrs. Creamer, Gahan, Nelson and Salem collectively control each of BSP and PECM through their indirect ownership of membership interests of BSP and PECM. As a result, each of Messrs. Creamer, Gahan, Nelson and Salem and BSP may be deemed to share beneficial ownership of the shares of Common Stock held by the BSP Funds, and each of Messrs. Creamer, Gahan, Nelson and Salem and PECM may be deemed to share beneficial ownership of the shares of Common Stock held by PECM Strategic Funding L.P. Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

Based on the transactions described herein, the Reporting Persons may be deemed to constitute a "group" for purposes of Section 13(d)(3) of the Act. As a member of a group, each Reporting Person may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the shares beneficially owned by members of the group as a whole. The filing of this Statement shall not be construed as an admission that a Reporting Person beneficially owns those shares held by any other member of the group. In addition, each Reporting Person expressly disclaims beneficial ownership of any securities reported herein except to the extent such Reporting Person actually exercises voting or dispositive power with respect to such securities.

(b) The principal business address of BSP, PECM and Thomas J. Gahan is c/o Benefit Street Partners L.L.C., 9 West 57th Street, Suite 4700, New York, NY 10019. The principal business address of Jonathan M. Nelson, Paul J. Salem and Glenn M. Creamer is c/o Providence Equity Partners L.L.C., 50 Kennedy Plaza, 18th Floor, Providence, RI 02903.

(c) The principal business of the Reporting Persons is investment and/or investment management.

(d) No Reporting Person has, during the last five years, been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding has been or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of BSP and PECM is a limited liability company organized under the laws of the State of Delaware. Each of Jonathan M. Nelson, Paul J. Salem, Glenn M. Creamer and Thomas J. Gahan is a citizen of the United States.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Funds for the purchase of the Common Stock and Convertible Preferred Stock reported herein were derived from the capital contributions by the partners of the Providence Funds and the available funds of such entities. A total of $15,500,000 was paid to acquire such Common Stock and Convertible Preferred Stock.

ITEM 4. PURPOSE OF TRANSACTION.

The Reporting Persons consummated the transactions described herein in order to acquire an interest in the Company for investment purposes. The Reporting Persons expect to evaluate on an ongoing basis the Company's financial condition and prospects and their respective interests in, and intentions with respect to, the Company and their respective investments in the securities of the Company, which review may be based on various factors, including the Company's business and financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Company's securities in particular, as well as other developments and other investment opportunities. Accordingly, each Reporting Person reserves the right to change its intentions, as it deems appropriate. In particular, each Reporting Person may at any time and from time to time, in the open market, in privately negotiated transactions or otherwise, increase its holdings in the Company or dispose of all or a portion of the securities of the Company that the Reporting Persons now own or may hereafter acquire, including sales pursuant to the exercise of the registration rights provided by the Registration Rights Agreement by and among the Company, the Providence Funds and certain other parties thereto, dated May 29, 2014 (the "Registration Rights Agreement"). In addition, the Reporting Persons may engage in discussions with management and members of the board of directors of the Company (the "Board") regarding the Company, including, but not limited to, the Company's business and financial condition, results of operations and prospects. The Reporting Persons may take positions with respect to and seek to influence the Company regarding the matters discussed above. Such suggestions or positions may include one or more plans or proposals that relate to or would result in any of the actions required to be reported herein.

The Reporting Persons may in the future take such actions as they deem necessary to effect the foregoing. Such actions may include, without limitation: communicating with management, the Board, other investors, industry participants and other relevant parties about one or more of the items described in subparagraphs (a)-(j) of Item 4 of Schedule 13D.

Except as set forth in this Item 4, the Reporting Persons have no present plans or proposals that relate to or that would result in any of the actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D. The Reporting Persons do, however, reserve the right in the future to adopt such plans or proposals subject to compliance with applicable regulatory requirements.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

The information set forth and/or incorporated by reference in Items 2, 3 and 4 is hereby incorporated by reference into this Item 5.

(a) See rows (11) and (13) of the cover pages to this Schedule 13D for the aggregate number of shares of Common Stock and percentages of the Common Stock beneficially owned by each of the Reporting Persons. References to percentage ownerships of Common Stock in this Statement are based upon 17,769,765 shares of Common Stock outstanding (consisting of (i) 16,269,765 shares of Common Stock stated to be outstanding as of May 26, 2014 in the SPA, plus (ii) 1,500,000 shares of Common Stock issued by the Company under the SPA). The Reporting Persons may be deemed to beneficially own an aggregate of 3,691,176 shares of Common Stock (consisting of (i) 2,941,176 shares of Common Stock that can be acquired upon the conversion of outstanding shares of the Company's Series A Convertible Participating Preferred Stock, $0.001 par value per share (the "Convertible Preferred Stock"), and (ii) 750,000 shares of Common Stock), which represents approximately 17.8% of the Company's Common Stock, calculated in accordance with Rule 13d-3 under the Act. The shares of Convertible Preferred Stock are convertible into a number of shares of Common Stock determined by dividing the accrued value of the shares of Convertible Preferred Stock to be so converted by the conversion price in effect at the time of such conversion. The current conversion price is $4.25 and may be adjusted from time to time. The accrued value for each share of Convertible Preferred Stock is equal to $1,000 and is subject to increase in the future by the amount of any unpaid dividends on the Convertible Preferred Stock.

By virtue of the relationship described herein, the Reporting Persons may be deemed to constitute a "group" for purposes of Rule 13(d)(3) of the Act. As a member of a group, each Reporting Person may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the shares beneficially owned by members of the group as a whole. The filing of this Statement shall not be construed as an admission that a Reporting Person beneficially owns those shares held by any other member of the group. In addition, each Reporting Person expressly disclaims beneficial ownership of any securities reported herein except to the extent such Reporting Person actually exercises voting or dispositive power with respect to such securities.

(b) See rows (7) through (10) of the cover pages to this Schedule 13D for the number of shares of Common Stock as to which each Reporting Person has the sole or shared power to vote or direct the vote and sole or shared power to dispose or to direct the disposition. The information set forth in Item 2 is hereby incorporated by reference into this Item 5(b).

(c) Except with respect to the acquisition of shares of Common Stock and Convertible Preferred Stock acquired pursuant to the SPA and as set forth in this Item 5, the Reporting Persons have not effected any transactions in the Common Stock during the past 60 days.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the shares of Common Stock reported on this Schedule 13D.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The information set forth and/or incorporated by reference in Items 2, 3, 4 and 5 is hereby incorporated by reference into this Item 6.

Other than as described in this Item 6, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the person enumerated in Item 2 and any other person with respect to any securities of the Company, including but not limited to, transfer or voting of any of the shares of Common Stock, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Securities Purchase Agreement

The Providence Funds entered into a Securities Purchase Agreement on May 29, 2014 by and among the Company, the Providence Funds and certain other parties. Pursuant to the SPA, the Providence Funds acquired 750,000 shares of Common Stock and 12,500 shares of Convertible Preferred Stock for aggregate consideration of $15,500,000. The terms of the SPA include, but are not limited to transfer restrictions, pre-emptive rights on equity, non-convertible and non-voting preferred and debt securities, and a three year standstill provision, in each case subject to the terms specified in the SPA. The SPA also grants to the parties to the SPA, upon the conversion of the Convertible Preferred Stock held by such parties and subject to certain conditions being met, the right to nominate at least one director to the Board, designated by a 75% majority of Common Stock held by such parties. The Providence Funds also have the right to appoint one non-voting observer to the Board, so long as the Providence Funds continue to own at least 35% of the shares of Convertible Preferred Stock acquired under the SPA (or the shares of Common Stock issued upon the conversion thereof). This summary description does not purport to be complete, and is qualified in its entirety by the SPA, a copy of which is filed as Exhibit 1 and is incorporated herein by reference.

Registration Rights Agreement

Pursuant to the Registration Rights Agreement, dated May 29, 2014, the Company granted certain registration rights to the Providence Funds with respect to certain public offerings of the Company’s Common Stock. Set forth below is a summary description of the registration rights. This summary description does not purport to be complete, and is qualified in its entirety by the Registration Rights Agreement, a copy of which is filed as Exhibit 2 and is incorporated herein by reference.

Demand Registration Rights. At any time after the fiftieth day following the agreement, the Company receives a request from the holder of the Company’s stock that the Company file a Form S-1 registration statement, and such holders have anticipated an aggregate offering price, net of expenses, of at least $5 million, then the Company shall (i) within two days after the date of such request give notice to all other holders of registrable securities and (ii) shall, as soon as practicable, and in any event within thirty days after the date of the request, file a Form S-1 registration statement under Securities Act of 1933, as amended, covering all registrable securities for which the holders have requested registration.

Piggyback Registration Rights. If the Company proposes to register any of its shares under the Securities Act of 1933, as amended, in connection with the public offering of such securities, the Company must offer holders of registrable securities an opportunity to include in the registration all or any part of their registrable securities that each such holder may request to be registered.

Form S-3 Registration. Holders of the Company's registrable securities have the right, subject to certain conditions, to request that the Company file a shelf registration statement on Form S-3. The Company also has the right to defer the filing of a registration statement pursuant to this request up to 45 days if the Company's board of directors determines it would be seriously detrimental to the Company and its shareholders for such Form S-3 to be effected at such time. The Company may not utilize this right more than once in any 12-month period.

Expenses of Registration. The Company will pay all expenses (other than underwriting discounts and commissions and stock transfer taxes) incurred in connection with the exercise of registration rights under the Registration Rights Agreement, including without limitation all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel and reasonable expenses of one legal counsel of the selling holders.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit	Description
1	Securities Purchase Agreement, dated as of May 29, 2014, by and among the Company, the Providence Funds and certain other parties.
2	Registration Rights Agreement, dated as of May 29, 2014, by and among the Company, the Providence Funds and certain other parties.
3	Joint Filing Agreement as required by Rule 13d-1(k)(1) under the Act by and among the BSP, PECM, Jonathan M. Nelson, Paul J. Salem, Glenn M. Creamer and Thomas J. Gahan, dated June 9, 2014.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Dated: June 9, 2014

BENEFIT STREET PARTNERS L.L.C.

By: /s/ Bryan R. Martoken
Name: Bryan R. Martoken
Title Authorized Signatory

PROVIDENCE EQUITY CAPITAL MARKETS L.L.C.

By: /s/ Bryan R. Martoken
Name: Bryan R. Martoken
Title Authorized Signatory

By: /s/ Jonathan M. Nelson
Name: Jonathan M. Nelson

By: /s/ Paul J. Salem
Name: Paul J. Salem

By: /s/ Glenn M. Creamer
Name Glenn M. Creamer

By: /s/ Thomas J. Gahan
Name Thomas J. Gahan

Exhibit 1

SECURITIES PURCHASE AGREEMENT

by and among

HC2 HOLDINGS, INC.

and the

PURCHASERS PARTY HERETO

May 29, 2014

This Securities Purchase Agreement contains a number of representations and warranties which the Company and the Purchasers have made to each other. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure schedules that the Company and the Purchasers have exchanged in connection with signing the Securities Purchase Agreement. These disclosure schedules contain information that has been included in the general prior public disclosures of the Company, as well as additional non-public information. While we do not believe that this non-public information is required to be publicly disclosed by the Company under the applicable securities laws, that information does modify, qualify and create exceptions to the representations and warranties set forth in the Securities Purchase Agreement. In addition, these representations and warranties were made as of the date of the Securities Purchase Agreement. Information concerning the subject matter of the representations and warranties may have changed since the date of the Securities Purchase Agreement, which subsequent information may or may not be fully reflected in the public disclosures of the Company. Moreover, representations and warranties are frequently utilized in Securities Purchase Agreements as a means of allocating risks, both known and unknown, rather than to make affirmative factual claims or statements. Accordingly, ONLY THE PARTIES TO THIS AGREEMENT SHOULD RELY ON THE REPRESENTATIONS AND WARRANTIES AS CURRENT CHARACTERIZATIONS OF FACTUAL INFORMATION ABOUT THE COMPANY OR THE PURCHASERS.

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SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT (this "**Agreement**"), dated May 29, 2014, by and among HC2 Holdings, Inc., Delaware corporation (the "**Company**") and the parties set forth on Annex A hereto as Purchasers (each a "**Purchaser**" and collectively, the "**Purchasers**").

WHEREAS, the Company has authorized the issuance and sale pursuant to this Agreement of (A) 30,000 shares of Series A Convertible Participating Preferred Stock, par value $0.001 per share, of the Company (the "**Convertible Preferred Stock**"), the rights, preferences and privileges of which are to be set forth in a Certificate of Designation, in the form attached hereto as Exhibit A (the "**Certificate of Designation**"), which shares of Convertible Preferred Stock shall be convertible into authorized but unissued shares of Common Stock (as defined below) and (B) 1,500,000 shares of the Common Stock;

WHEREAS, subject to the terms and conditions set forth herein, the Company desires to issue and sell to the several Purchasers, and the several Purchasers desire to purchase from the Company, the Shares (as defined below);

WHEREAS, the Board (as defined below) has (i) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into this Agreement and the other Transaction Agreements (as defined below) to which the Company is a party providing for the transactions contemplated hereby and thereby in accordance with the General Corporation Law of the State of Delaware (the "**DGCL**"), upon the terms and subject to the conditions set forth herein, and (ii) approved the execution, delivery and performance of this Agreement and the other Transaction Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby in accordance with the DGCL upon the terms and conditions contained herein and therein;

WHEREAS, each Purchaser has approved the execution, delivery and performance of this Agreement and the other Transaction Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby in accordance with applicable law upon the terms and conditions contained herein and therein;

WHEREAS, as a condition to the consummation of the transactions contemplated hereby, on the Closing Date the Company and the Purchasers will enter into the Registration Rights Agreement in the form attached as Exhibit B hereto (the "**Registration Rights Agreement**"); and

NOW THEREFORE, in consideration of the mutual agreements, representations, warranties and covenants herein contained, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"**Accreting Dividends**" shall have the meaning set forth in the Certificate of Designation.

"**Additional Preferred Securities**" shall have the meaning set forth in the Certificate of Designation.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person. Notwithstanding the foregoing, (i) none of the Company, its Subsidiaries or its other controlled Affiliates, nor any HRG Affiliates shall be considered Affiliates of any Purchaser, (ii) no Purchaser shall be considered an Affiliate of any Portfolio Company in which such Purchaser or any of its Affiliates have made a debt or equity investment (provided, however, that for purposes of Sections 5.3 and 5.6 hereof, a Purchaser shall be considered an Affiliate of any such Portfolio Company if such Portfolio Company has received Confidential Information regarding the Company or any of its Subsidiaries (including any confidential information regarding Schuff) from such Purchaser or any of its Affiliates in violation of Sections 5.9 (disregarding for this purpose clause (v) of Section 5.9(a)), and (iii) no Purchaser shall be considered an Affiliate of any other Purchaser or any of such other Purchaser's Affiliates; provided, however, that a Portfolio Company shall be deemed to be an Affiliate of a Purchaser if such Purchaser, directly or indirectly, encouraged, directed or caused such Portfolio Company to take any action that would have been prohibited by the terms of this Agreement if such Portfolio Company had been an Affiliate of such Purchaser but for clause (ii) of this definition.

"**Agreement**" shall have the meaning set forth in the preamble.

"**Basket Amount**" shall have the meaning set forth in Section 10.4.

"**Beneficially Own**," "**Beneficially Owned**," or "**Beneficial Ownership**" shall have the meaning set forth in Rule 13d-3 of the rules and regulations promulgated under the Exchange Act; provided, however, that, other than for purposes of the definition of "Hedging Agreement", a Person will be deemed to be the beneficial owner of any security which may be acquired by such Person whether within 60 days or thereafter, upon the conversion, exchange or exercise (without giving effect to any provision governing such security that would limit, reduce or otherwise restrict the conversion, exchange or exercise features of such security) of any rights, options, warrants or similar securities to subscribe for, purchase or otherwise acquire such security.

"**Benefit Plans**" with respect to any Person shall mean each material "employee benefit plan" (within the meaning of Section 3(3) of ERISA), and all stock purchase, stock option, severance, employment, change-in-control, fringe benefit, collective bargaining, bonus, incentive, deferred compensation, employee loan and all other employee benefit plans, agreements, programs, policies or other arrangements, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the transaction contemplated by this Agreement or otherwise), whether formal or informal, oral or written, legally binding or not, under which any employee of such Person or its Subsidiaries has any present or future right to benefits or which are contributed to, sponsored by or maintained by the Person or any of its Subsidiaries.

"**Board**" shall mean the Board of Directors of the Company.

"**Business Day**" shall mean any day, other than a Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in the State of New York are authorized or required by Law or other governmental action to close.

"**Capitalization Date**" shall have the meaning set forth in Section 3.2(a).

"**Certificate of Designation**" shall have the meaning set forth in the recitals.

"**Closing**" shall have the meaning set forth in Section 2.2.

"**Closing Date**" shall have the meaning set forth in Section 2.2.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Common Share Purchase Price**" shall have the meaning set forth in the Section 2.1.

"**Common Stock**" shall mean the Common Stock, par value $0.001 per share, of the Company, or any other shares of capital stock into which the Common Stock shall be reclassified or changed.

"**Company**" shall have the meaning set forth in the preamble.

"**Company Plan**" shall mean any Benefit Plan sponsored by or contributed to the Company, its Subsidiaries or any of its ERISA Affiliates or for which the Company, its Subsidiaries or any of its ERISA Affiliates has any liability, contingent or otherwise.

"**Company Annual Report"** shall have the meaning set forth in Section 3.8(a).

"**Change of Control**" shall have the meaning set forth in the Certificate of Designation as in effect as of the date hereof.

"**Company Financial Statements**" shall have the meaning set forth in Section 3.8(c).

"**Company Indemnified Party"** shall have the meaning set forth in Section 10.3.

"**Company Intellectual Property**" shall have the meaning set forth in Section 3.12(c).

"**Company Option**" shall mean an option to acquire shares of Common Stock that was issued under any Company Stock Plan.

"**Company SEC Filings"** shall have the meaning set forth in Section 3.8(a).

"**Company Stock Plans**" shall mean the plans listed on Schedule 1.2.

"**Confidential Information**" shall have the meaning set forth in Section 5.9(a).

"**Consent**" shall have the meaning set forth in Section 3.6.

"**Contracts**" shall have the meaning set forth in Section 3.23(a)(v).

"**control**" (including the terms "**controlling**" "**controlled by**" and "**under common control with**") with respect to any Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Conversion Price**" shall have the meaning set forth in the Certificate of Designation.

"**Conversion Shares**" shall mean the shares of Common Stock issuable upon the conversion of the Convertible Preferred Stock as provided for in the Certificate of Designation.

"**Convertible Preferred Stock**" shall have the meaning set forth in the recitals.

"**Debt Exercise Notice**" shall have the meaning set forth in Section 5.4(d)(ii).

"**Debt Participation Amount**" shall have the meaning set forth in Section 5.4(b).

"**Debt Participation Right**" shall have the meaning set forth in Section 5.4(b).

"**Debt Participation Rights Notice**" shall have the meaning set forth in Section 5.4(d)(i).

"**Debt Transaction**" shall have the meaning set forth in Section 5.4(b).

"**Debt Transaction Lender**" shall have the meaning set forth in Section 5.4(b).

"**DGCL**" shall have the meaning set forth in the recitals.

"**DG Purchasers**" shall mean DG Value Partners, LP, DG Value Partners II Master Fund, LP, Special Situations, LLC, Special Situations X, LLC and DG Credit Opportunities, LP.

"**Director**" means any member of the Board.

"**Disclosure Schedule**" shall have the meaning set forth in Section 3.

"**Environmental Law**" shall mean any and all Laws relating to the protection of the environment (including ambient air, surface water, groundwater or land) or natural resources and any other Laws concerning human exposure to Hazardous Substances.

"**Environmental Permits**" shall have the meaning set forth in Section 3.20(a)(i).

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

"**ERISA Affiliate**" shall have the meaning set forth in Section 3.13(c).

"**Equity Securities**" shall mean, with respect to any Person, (i) shares of capital stock of, or other equity or voting interest in, such Person, (ii) any securities convertible into or exchangeable for shares of capital stock of, or other equity or voting interest in, such Person, (iii) options, warrants, rights or other commitments or agreements to acquire from such Person, or that obligates such Person to issue, any capital stock of, or other equity or voting interest in, or any securities convertible into or exchangeable for shares of capital stock of, or other equity or voting interest in, such Person, (iv) obligations of such Person to grant, extend or enter into any subscription,

warrant, right, convertible or exchangeable security or other similar agreement or commitment relating to any capital stock of, or other equity or voting interest (including any voting debt) in, such Person and (v) the capital stock of such Person.

"**Exchange**" means the NASDAQ Global Market, the NASDAQ Global Select Market, The New York Stock Exchange, the NYSE MKT LLC or any of their respective successors.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.

"**Fraud"** shall mean with respect to any claim or action, all of the following elements: (a) a false statement of a material fact relating to such claim or action; (b) knowledge on the part of the Person making such statement of a material fact that the statement is false; (c) intent on the part of the Person making such statement of a material fact to deceive the receiving party by making the false statement; (d) justifiable reliance by the receiving party on the false statement of material fact; and (e) injury to the receiving party as a result of such reliance on the false statement of material fact.

"**Foreign Benefit Plans**" shall have the meaning set forth in Section 3.13(g).

"**GAAP**" shall have the meaning set forth in Section 3.9(b).

"**Governmental Entity**" shall mean any United States or non-United States federal, state or local government, or any agency, bureau, board, commission, department, tribunal or instrumentality thereof or any court, tribunal, or arbitral or judicial body.

"**HRG Affiliate**" shall mean (a) Philip A. Falcone, (b) Harbinger Group, Inc. or any of its Subsidiaries, (c) Harbinger Capital Partners LLC, Harbinger Capital Partners II LP or any limited partnership, limited liability company, corporation or other entity that controls, is controlled by, or is under common control with Harbinger Capital Partners LLC, Harbinger Capital Partners II LP or Philip A. Falcone.

"**Hazardous Substance**" shall mean any substance, material or chemical that is characterized or regulated under any Environmental Law as "hazardous," a "pollutant," "waste," a "contaminant," "toxic" or words of similar meaning or effect, or that could result in liability under any Environmental Law, and shall include petroleum and petroleum products, polychlorinated biphenyls, lead, crystalline silica and asbestos.

"**Hedging Agreement**" shall mean any swap, forward or option contract or any other agreement, arrangement, contract or transaction that hedges the direct or indirect economic exposure to a decline in value resulting from ownership by any Person of the Common Stock, the Convertible Preferred Stock or the equity securities of any Subsidiary of the Company that are traded on a national securities exchange or on the OTCQB, regardless of whether any such agreement, arrangement, contract or transaction is to be settled by delivery of securities, in cash or otherwise; provided, however, that, for the avoidance of doubt, in no event shall an agreement providing for the direct Transfer of Common Stock or Convertible Preferred Stock actually Beneficially Owned by such Person be deemed a "Hedging Agreement" hereunder.

"**Hedging Limitation Period**" shall mean the period from the date hereof until the twelve (12) month anniversary of the Closing Date.

"**HSR Act**" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and all of the rules and regulations promulgated thereunder.

"**Hudson Bay Purchasers**" shall mean Hudson Bay Absolute Return Credit Opportunities Master Fund Ltd.

"**Indemnification Agreement**" shall have the meaning set forth in Section 7.3(b).

"**Indemnified Party**" shall have the meaning set forth in Section 10.5.

"**Indemnifying Party**" shall have the meaning set forth in Section 10.5.

"**Intellectual Property**" shall mean all U.S. or foreign intellectual property, including (i) patents, trademarks, service marks, trade names, domain names, other source indicators and the goodwill of the business symbolized thereby, copyrights, works of authorship in any medium, designs and trade secrets, (ii) applications for and registrations of such patents, trademarks, service marks, trade names, domain names, copyrights and designs ("**Registered Intellectual Property**"), (iii) inventions, processes, formulae, methods, schematics, technology, know-how, computer software programs and applications, and (iv) other tangible or intangible proprietary or confidential information and materials.

"**Investment Securities**" with respect to a Person means debt or equity securities issued by such Person or similar obligations of, or participations in, such Person.

"**Knowledge**" shall mean, with respect to the Company, the knowledge of any of the Persons set forth on Schedule 1.1. Such individuals will be deemed to have "knowledge" of a particular fact or other matter if (i) such individual has or at any time had actual knowledge of such fact or other matter or (ii) a prudent individual would be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably diligent review concerning the existence thereof with each employee of the Company or any of its Subsidiaries who reports directly to such individual and who (x) has responsibilities or (y) would reasonably be expected to have actual knowledge of circumstances or other information, in each case, that would reasonably be expected to be pertinent to such fact or other matter. Notwithstanding the foregoing, the Company will be deemed to have knowledge of any fact or matter of which an officer of the Company has received written notice (whether in hard copy, digital or electronic format).

"**Law**" shall have the meaning set forth in Section 3.5.

"**Leased Real Property**" shall have the meaning set forth in Section 3.21(b).

"**Legal Proceeding**" shall mean any action, suit, litigation, petition, claim, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, or investigation by or before, or otherwise involving, any court or other Governmental Entity or arbitral body.

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

"**Lien**" shall have the meaning set forth in Section 3.5.

"**Loan Agreement**" means the Credit Agreement, dated as of May 29, 2014, among the Company, the Subsidiary Guarantors (as defined therein), the Lenders (as defined therein), Jefferies LLC, as lead arranger, as book manager, as documentation agent for the Lenders and as syndication agent for the Lenders, and Jefferies Finance LLC, as administrative agent for the Lenders and as collateral agent for the Secured Parties, as amended from time to time.

"**Losses**" shall mean any and all actions, causes of action, suits, claims, liabilities, losses, damages, penalties, judgments, costs and out-of-pocket expenses in connection therewith (including reasonable attorneys' fees and expenses), it being agreed that Losses shall include any losses that any Person deciding any dispute in respect thereof (whether a court, jury or other Person) may determine are recoverable, including if so determined to be recoverable, losses that represent diminution in value.

"**Requisite Holders**" means Purchasers (or permitted transferees thereof) holding not less than 75% of the Shares issued to the Purchasers hereunder on the Closing Date (determined on an as-converted to Common Stock basis).

"**Material Adverse Effect**" shall mean any fact, circumstance, event, change, effect, occurrence or development (each, a "**Change**") that, individually or in the aggregate with all other Changes, (i) has or would reasonably be expected to have a material adverse effect on or with respect to the business, operations, assets (including intangible assets), liabilities, results of operation or financial condition of the Company and its Subsidiaries taken as a whole or (ii) results in or would reasonably be expected to result in a Liability or Loss to the Company or its Subsidiaries in an amount exceeding $1,000,000.

"**Material Contracts**" shall have the meaning set forth in Section 3.23(a).

"**New York Court**" shall have the meaning set forth in Section 12.5(b).

"**Non-Convertible Preferred Participation Amount**" shall have the meaning set forth in Section 5.4(a).

"**OTCQB**" means the OTCQB Market.

"**Participation Rights**" shall have the meaning set forth in Section 5.4(b).

"**Participation Rights Fraction**" shall mean, with respect to a Purchaser, a fraction, the numerator of which is the number of shares of Common Stock held by such Purchaser and its Affiliates in the aggregate on an as converted basis, as of such date, and the denominator of which is the number of shares of Common Stock then outstanding (assuming all Preferred Stock is converted to Common Stock), as of such date.

"**Participating Purchaser**" shall mean either the PECM Purchasers, collectively, or the Hudson Bay Purchasers.

"**PECM Purchasers**" shall mean Providence Debt Fund III L.P., Providence Debt Fund III Master (Non-US) L.P., PECM Strategic Fund ing L.P. and Benefit Street Parnters SMA LM L.P.

"**Permitted Liens**" means, (a) local, state and federal Laws, including, without limitation, zoning or planning restrictions, and utility lines, easements, permits, covenants, conditions, restrictions, rights-of-way, oil, gas or mineral leases of record and other restrictions or limitations on the use of real property or irregularities in title thereto, which do not materially impair the value of such properties or the continued use of such property for the purposes for which the property is currently being used by the Company or any Subsidiary, (b) Liens for Taxes not yet due and payable, that are payable without penalty or that are being contested in good faith and for which adequate reserves have been recorded on the Company Financial Statements or the Schuff Financials, as applicable, (c) Liens for carriers', warehousemen's, mechanics', repairmen's, workers' and similar Liens incurred in the ordinary course of business, consistent with past practice, in each case for sums not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings and for which adequate reserves have been recorded on the Company Financial Statements, (d) Liens incurred in the ordinary course of business, consistent with past practice, in connection with workers' compensation, unemployment insurance and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and similar obligations, which do not materially impair the value of the underlying property or the continued use of such property for the purposes for which the property is currently being used by the Company or any Subsidiary, (e) Liens granted under equipment leases with third parties entered into in the ordinary course of business consistent with past practice, (f) Liens permissible under any applicable loan agreements and indentures, (g) restrictions arising under applicable securities Laws and (h) Liens securing the indebtedness under the Loan Agreement or any other existing indebtedness for borrowed money of the Company, Schuff or any of their Subsidiaries.

"**Person**" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or any other entity or organization.

"**Portfolio Company**" means, with respect to a referent Person, any other Person that issues Investment Securities if such referent Person beneficially owns Investment Securities representing a controlling interest in such Person.

"**Preferred Elected Director Condition**" means that the Purchasers (and/or any of their Affiliates) own, in the aggregate, at least (A) fifteen percent (15%) of the outstanding Common Stock on an as-converted basis (assuming conversion of the Preferred Shares and including through the ownership of Preferred Shares or Common Stock) and (B) eighty percent (80%) of the aggregate number of Shares issued to the Purchasers on the Original Issue Date (as such term is defined in the Certificate of Designation) (determined on an as-converted to Common Stock basis).

"**Preferred Director Number**" means one (1); *provided* that (A) for so long as the Preferred Elected Director Condition continues to be satisfied, the percentage obtained by dividing the Preferred Director Number by the total number of directors on the Board shall be no more than 5% below such aggregate ownership percentage of the Purchasers and their Affiliates (*e.g.*, if the Purchasers and their Affiliates own, in the aggregate, at least twenty percent (20%) of the outstanding Common Stock (assuming all Preferred Stock is converted to Common Stock), the Preferred Director Number would be the lowest whole number that is equal to or in excess of 15% of the total number of directors on the Board), and (B) at any time following the occurrence and during the continuance of a Specified Breach Event, the Preferred Director Number shall be increased, if necessary, in order that the Preferred Director Number plus the number of Independent Directors (as defined in the Certificate of Designation) on the Board shall equal more than 50% of the total number of directors on the Board.

"**Preferred Elected Director Right**" shall have the meaning set forth in the Certificate of Designation as in effect as of the date hereof.

"**Preferred Share Purchase Price**" shall have the meaning set forth in Section 2.1.

"**Preferred Stock**" shall have the meaning set forth in Section 3.2(a).

"**Public Market Capitalization**" shall have the meaning set forth in the Certificate of Designation.

"**Purchasers**" shall have the meaning set forth in the recitals.

"**Purchaser Adverse Effect**" shall have the meaning set forth in the Section 4.3.

"**Purchaser Indemnified Party**" shall have the meaning set forth in Section 10.1.

"**Registered Intellectual Property**" shall have the meaning set forth in the definition of "Intellectual Property".

"**Registration Rights Agreement**" shall have the meaning set forth in the recitals.

"**Representatives**" means, with respect to any Person, such Person's Affiliates (other than any Portfolio Company) and their respective directors, officers, employees, managers, trustees, principals, stockholders, members, general or limited partners, agents and other representatives.

"**Rule 144**" shall have the meaning set forth in Section 4.8(a).

"**Schuff**" means Schuff International, Inc.

"**Schuff Acquisition**" means the purchase of Shares (as defined in the Schuff SPA) in accordance with the terms of the Schuff SPA.

"**SEC**" shall mean the Securities and Exchange Commission.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.

"**Securities Exercise Notice"** shall have the meaning set forth in Section 5.4(c)(ii).

"**Securities Participation Amount**" shall have the meaning set forth in Section 5.4(a).

"**Securities Participation Right**" shall have the meaning set forth in Section 5.4(a).

"**Securities Participation Rights Notice**" shall have the meaning set forth in Section 5.4(c)(i).

"**Senior Debt Financing**" shall mean the debt financing contemplated by the Loan Agreement.

"**Shares**" shall have the meaning set forth in Section 2.1.

"**Significant Subsidiary**" shall mean any Subsidiary or group of Subsidiaries that would, taken together, be a "significant subsidiary" as defined in Article 1, Rule 1-02 (w)(1) or (2) of Regulation S-X promulgated under the Securities Act, as such regulation is in effect from time to time. For the avoidance of any doubt, Schuff and its Subsidiaries shall be deemed to be Significant Subsidiaries of the Company for all purposes, including, with respect to the representations and warranties of the Company set forth in Section 3 hereof, except with respect to Section 3.8(e).

"**Specified Breach Event**" shall have the meaning set forth in the Certificate of Designation.

"**Standstill Period**" shall have the meaning set forth in Section 5.3(a).

"**Subsidiary**" of any Person shall mean any corporation, partnership, joint venture, limited liability company, trust or other form of legal entity (whether incorporated or unincorporated) of which (or in which) more than 50% of (i) the Voting Power; (ii) the interest in the capital or profits of such partnership, joint venture or limited liability company; or (iii) the beneficial interest in such trust or estate; is, directly or indirectly, owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries. For the avoidance of any doubt, Schuff and its Subsidiaries are Subsidiaries of the Company for all purposes, including, with respect to the representations and warranties of the Company set forth in Section 3 hereof, except with respect to Section 3.8(e).

"**Tax Returns**" shall mean returns, reports, information statements and other documentation (including any additional or supporting material) filed or required to be filed in connection with the calculation, determination, assessment or collection of any Tax, including any schedules or amendments thereto.

"**Taxes**" shall mean any and all taxes, levies, fees, imposts, duties and charges of whatever kind (including any interest, penalties or additions to the tax imposed in connection therewith or with respect thereto) imposed by any Governmental Authority, including, without limitation, taxes imposed on, or measured by, income, franchise, profits or gross receipts, and any ad valorem, value added, sales, use, service, real or personal property, capital stock, license, payroll, withholding, employment, social security, workers' compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes and customs or duties.

"**Third Party Intellectual Property**" shall have the meaning set forth in Section 3.12(c).

"**Transaction Agreements**" shall mean this Agreement, the Certificate of Designation, and the Registration Rights Agreement.

"**Transfer**" shall mean the direct or indirect transfer, sale, assignment, exchange, distribution, mortgage, pledge or disposition of any Equity Securities of the Company.

"**Treasury Regulation**" shall mean the Treasury Regulations promulgated under the Code.

"**Voting Power**" shall mean either (a) the power to elect, designate or nominate directors to the Board, or (b) vote (as Common Stock or together with Common Stock) on matters to be voted on or consented to by the Common Stock through the ownership of Voting Stock, by contract or otherwise.

"**Voting Stock**" shall mean securities of any class or kind ordinarily having the power to vote generally for the election of (x) Directors of the Company or its successor (including the Common Stock and the Convertible Preferred Stock) or (y) directors of any Subsidiary of the Company.

"**Wholly Owned Subsidiary**" means any Subsidiary of the Company of which the Company owns, either directly or indirectly, 100% of the outstanding equity interests of such Subsidiary (excluding qualifying shares held by directors).

2. Authorization, Purchase and Sale of Shares.

2.1 Authorization, Purchase and Sale. Subject to and upon the terms and conditions of this Agreement, the Company will issue and sell to the several Purchasers, and the several Purchasers will purchase from the Company, at the Closing, the number of shares of (A) Convertible Preferred Stock (each, a "**Preferred Share**" and collectively, the "**Preferred Shares**") and (B) Common Stock (each, a "**Common Share**" and collectively, the "**Common Shares**", and together with the Preferred Shares, each a "**Share**" and collectively, the "**Shares**")) set forth next to each such Purchaser's name on Annex A. The purchase price per Preferred Share shall be $1,000 and the aggregate purchase price (the "**Preferred Share Purchase Price**") for the Preferred Shares shall be the amount set forth on Annex A. The purchase

price per Common Share shall be $4.00 and the aggregate purchase price for the Common Shares (the "**Common Share Purchase Price**") shall be the amount set forth on Annex A.

2.2 Closing.

(a) The closing of the purchase and sale of the Shares (the "**Closing**") shall take place at the offices of Ropes & Gray LLP, 1211 Avenue of the Americas, New York, New York immediately following the satisfaction or waiver of each of the conditions set forth in Section 6 with respect to Closing (other than those conditions which, by their terms, are to be satisfied or waived at the Closing), at 10:00 am Eastern Time on May 29, 2014 (the "**Closing Date**").

(b) Closing Deliveries:

(i) At the Closing the Company shall deliver to each Purchaser certificates representing the Preferred Shares purchased by such Purchaser;

(ii) At the Closing or promptly thereafter, the Company shall deliver (or shall cause its transfer agent to deliver) to each Purchaser purchasing Common Shares, certificates (which may be, at its election, in global form through a book-entry system maintained by the Company's transfer agent) representing the Common Shares purchased by such Purchaser; and

(iii) At the Closing, each Purchaser shall deliver, or cause to be delivered, to the Company, subject to any reductions for expenses as set forth in Section 12.8, an amount equal to the portion of the Common Share Purchase Price and the Preferred Share Purchase Price set forth next to such Purchaser's name on Annex A by wire transfer of immediately available funds to an account set forth on Annex A under the heading "Company Wire Information".

3. Representations and Warranties of the Company. Except as set forth in the disclosure schedule delivered by the Company to the Purchasers on the date hereof (the "**Disclosure Schedule**") (it being agreed that disclosure of any item in any section of the Disclosure Schedule shall also be deemed disclosure with respect to any other Section of this Agreement to which the relevance of such item is reasonably apparent) or as disclosed in the Company SEC Filings, filed on or after January 1, 2012 and publicly available prior to the date of this Agreement and only as and to the extent disclosed therein (but excluding any risk factor disclosures contained under the heading "Risk Factors," any disclosure of risks included in any "forward-looking statements" disclaimer or any other statements that are similarly forward-looking), the Company hereby represents and warrants to the Purchasers as follows, both before and after giving effect to the consummation of the Schuff Acquisition:

3.1 Organization and Power.

(a) Each of the Company and its Subsidiaries is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization. Each of the Company and its Subsidiaries has the requisite corporate power and authority to carry on its respective business as it is presently being conducted and to own, lease or operate its respective properties and assets, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Each of the Company and its Subsidiaries is duly qualified to do business and is in good standing as a foreign corporation (or other legal entity) in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The organizational or governing documents of the Company and each of its Subsidiaries are in full force and effect. Neither the Company nor any Subsidiary is in violation of its organizational or governing documents. The Company has delivered or made available to the Purchasers complete and correct copies of the certificates of incorporation and bylaws or other constituent documents, as amended to date and currently in full force and effect, of the Company and its Significant Subsidiaries.

3.2 Capitalization.

(a) As of the date of this Agreement, the authorized shares of capital stock of the Company consist of 80,000,000 shares of Common Stock and 20,000,000 shares of preferred stock, par value $0.001 per share ("**Preferred Stock**"). As of the close of business on May 26, 2014 (the "**Capitalization Date**"), (i) 16,269,765 shares of Common Stock were issued and outstanding, (ii) 1,718,804 of Common Stock were reserved for issuance under the Company Stock Plans, (iii) zero shares of Preferred Stock were issued and outstanding, and (iv) 31,626 shares of Common Stock or Preferred Stock were held by the Company as treasury shares. All outstanding shares of Common Stock are validly issued, fully paid, nonassessable and free of preemptive or similar rights. Since the Capitalization Date, the Company has not sold or issued or repurchased, redeemed or otherwise acquired any shares of the Company's capital stock (other than issuances pursuant to the exercise of any Company Option or vesting of any share unit award that had been granted under any Company Stock Plan, or repurchases, redemptions or other acquisitions pursuant to agreements contemplated by a Company Stock Plan). No Subsidiary of the Company owns any Equity Securities of the Company.

(b) As of the Capitalization Date, with respect to the Company Stock Plans, (i) there were 1,707,043 shares of Common Stock underlying outstanding Company Options to acquire shares of Common Stock, such outstanding Company Options having the exercise price per share as of the Capitalization Date as set forth on Schedule 3.2, (ii) there were 11,761 shares of Common Stock issuable upon the vesting of outstanding share award units, and (iii) 5,382,838 additional shares of Common Stock were reserved for issuance for future grants pursuant to the Company Stock Plans. All shares of Common Stock reserved for issuance as noted in the foregoing sentence, when issued in accordance with the respective terms thereof, are or will be validly issued, fully paid, nonassessable and free of preemptive or similar rights. Each Company Option was granted with an exercise price per share equal to or greater than the per share fair market value (as such term is used in Code Section 409A and the Department of Treasury regulations and other interpretive guidance issued thereunder) of the Common Stock underlying such Company Option on the grant date thereof and was otherwise issued in material compliance with applicable Law.

(c) Schedule 3.2 sets forth a list of all outstanding warrants to purchase any Equity Securities of the Company as of the date of this Agreement, together with the number of shares subject thereto, the exercise price thereof, the dates of any scheduled vesting thereof, in each case as of the date hereof.

(d) Except as set forth in this Section 3.2, as of the date of this Agreement, there are no outstanding Equity Securities of the Company and no other obligations by the Company or any of its Subsidiaries to make any payments based on the price or value of any Equity Securities of the Company. There are no outstanding agreements of any kind which obligate the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Equity Securities of the Company.

(e) Except as set forth in the Transaction Agreements or as set forth in Schedule 3.2, neither the Company nor any of its Subsidiaries is a party to any agreement relating to the voting of, requiring registration of, or granting any preemptive, anti-dilutive rights or rights of first refusal or other similar rights with respect to any Equity Securities of the Company.

(f) Upon the filing of the Certificate of Designation with the Secretary of State of the State of Delaware, (i) the Convertible Preferred Stock will be duly authorized and (ii) a sufficient number of Conversion Shares will have been duly authorized and validly reserved for issuance upon conversion of the Preferred Shares in accordance with the Certificate of Designation. When the Shares are issued and paid for in accordance with the provisions of this Agreement and the Certificate of Designation, all such Shares will be duly authorized, validly issued, fully paid, nonassessable and free of preemptive or similar rights except as set forth in the

Transaction Agreements. When Conversion Shares are issued in accordance with the provisions of the Certificate of Designation all such Conversion Shares will be duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights.

(g) Neither the Company nor any of its Subsidiaries have any Liabilities in respect of any Indebtedness (as defined in the Certificate of Designation) except as set forth on Schedule 3.2(g). For each item of Indebtedness, Schedule 3.2(g) sets forth the debtor, the principal amount of the Indebtedness as the date of this Agreement, the creditor, the maturity date, and the collateral, if any, securing the Indebtedness. Except as set forth on Schedule 3.2(g), neither the Company, nor any of its Subsidiaries has any Liability in respect of a guarantee of any indebtedness or other Liability of any other Person (other than the Company or any of its Subsidiaries).

3.3 Authorization. The Company has all requisite corporate power to enter into each of the Transaction Agreements to which it is a party and to consummate the transactions contemplated by each of the Transaction Agreements to which it is a party and to carry out and perform its obligations thereunder. All corporate action on the part of the Company, its officers and directors necessary for the authorization of the Common Stock and Convertible Preferred Stock and the authorization, execution, delivery and performance of the Transaction Agreements to which the Company is a party has been taken. The execution, delivery and performance of the Transaction Agreements to which the Company is a party by the Company and the issuance of the Common Stock upon conversion of the Preferred Shares, in each case in accordance with their terms, and the consummation of the other transactions contemplated herein do not require any approval of the Company's stockholders. Upon their respective execution by the Company and the other parties thereto and assuming that they constitute legal and binding agreements of each Purchaser party thereto, each of the Transaction Agreements to which the Company is a party will constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except that such enforceability (a) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting or relating to creditors' rights generally, and (b) is subject to general principles of equity (regardless of whether considered in a proceeding in equity or at Law).

3.4 Registration Requirements. Subject to the accuracy of the representations made by the Purchasers in Section 4, the offer, sale and issuance of the Shares and the conversion of the Preferred Shares into Common Stock in accordance with the Certificate of Designation (i) has been and will be made in compliance with applicable exemptions from the registration and prospectus delivery requirements of the Securities Act and (ii) will have been registered or qualified (or are exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable Blue Sky laws.

3.5 No Conflict. Except as set forth on Schedule 3.5, the execution, delivery and performance of the Transaction Agreements to which the Company is a party by the Company, the issuance of the Shares and the Common Stock upon conversion of the Preferred Shares and the consummation of the other transactions contemplated hereby and by the other Transaction Agreements to which the Company is a party will not (i) conflict with or result in any violation of any provision of the certificate of incorporation or bylaws of the Company, or, upon its filing with the Secretary of State of the State of Delaware, the Certificate of Designation, (ii) result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, require consent under, or give rise to a right of termination, cancellation, modification or acceleration of any obligation or to the loss of any benefit under any mortgage, Contract, insurance policy (including any directors and officers insurance policy), purchase or sale order, instrument, permit, concession, franchise, right or license, binding upon the Company or any of its Subsidiaries or result in the creation of any liens, claims, mortgages, encumbrances, pledges, security interests, equities or charges of any kind (each, a "**Lien**") upon any of the properties, assets or rights of the Company or any of its Subsidiaries, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or (iii) subject to the matters referred to in Section 3.6, conflict with or violate any applicable material law, statute, code, ordinance, rule, regulation (including rules or regulations applicable to the listing of the Company's capital stock on any trading exchange), or agency requirement of or undertaking to or agreement with any Governmental Entity, including common law (collectively, "**Laws**" and each, a "**Law**") or any judgment, order, injunction or decree issued by any Governmental Entity.

3.6 Consents. No consent, approval, order, or authorization of, or filing or registration with, or notification to (any of the foregoing being a "**Consent**"), any Governmental Entity or any trading exchange is required on the part of the Company or its Subsidiaries in connection with (a) the execution, delivery or performance of the Transaction Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby, or (b) the issuance of the Shares or the issuance of the Common Stock upon conversion of the Preferred Shares in accordance with the Certificate of Designation; other than (i) the filing of the Certificate of Designation with the Secretary of State of the State of Delaware, (ii) those to be obtained, in connection with the registration of the Shares under the Registration Rights Agreement, under the applicable requirements of the Securities Act and any related filings and approvals under applicable state securities laws, and (iii) such Consents the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.7 Permits. The Company and each of its Subsidiaries possess all material permits, licenses, authorizations, consents, approvals and franchises of Governmental Entities or any trading exchange that are required to conduct its business.

3.8 SEC Reports; Financial Statements.

(a) The Company has filed, since January 1, 2012, all forms, reports and documents with the SEC that have been required to be filed by it under applicable Laws (the "**Company SEC Filings**"), including the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2013, as amended through the date of this Agreement (the "**Company Annual Report**"). Each Company SEC Filing complied as of its filing date, as to form in all material respects with the applicable requirements of the Securities Act or the Exchange Act, as the case may be, each as in effect on the date such Company SEC Filing was filed (and, if amended or superseded by a filing prior to the date of this Agreement, on the date of such amended or superseded filing). As of its filing date (and, if amended or superseded by a filing prior to the date of this Agreement, on the date of such amended or superseded filing), each Company SEC Filing did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. None of the Company's Subsidiaries is required to file any forms, reports or other documents with the SEC pursuant to Sections 13(d) and 15(d) of the Exchange Act. No executive officer of the Company has failed to make the certifications required by him or her under Section 302 and 906 of the Sarbanes Oxley Act of 2002 with respect to any Company SEC Filing. There are no transactions that have occurred since January 1, 2012 that are required to be disclosed in the appropriate Company SEC Filings pursuant to Item 404 of Regulation S-K that have not been disclosed in the Company SEC Filings.

(b) The consolidated financial statements (including all related notes and schedules) of the Company and its Subsidiaries included in the Company SEC Filings and (collectively, the "**Company Financial Statements**") (i) comply as to form in all material respects with the published rules and regulations of the SEC with respect thereto and (ii) fairly present, in all material respects, the consolidated financial position of the Company and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods therein specified, all in accordance with United States generally accepted accounting principles applied on a consistent basis ("**GAAP**") throughout the periods therein specified (except as otherwise noted therein, and in the case of quarterly financial statements except for the absence of footnote disclosure and subject, in the case of interim periods, to normal year-end adjustments, the effect of which will not, individually or in the aggregate, be materially adverse, and the absence of footnote disclosure that if presented, would not differ materially from those included in the audited Company Financial Statements).

(c) Schuff Financials.

(i) Attached as Schedule 3.8(c) are copies of the following:

(1) the audited consolidated balance sheet of Schuff, and the related audited consolidated statements of operations, stockholders' equity, and cash flow of Schuff for the fiscal year ended December 29, 2013 as set forth on Schedule 3.8(c)(i)(1) (the "**Shuff Audited Financials**") (including any notes thereto).

(2) the unaudited consolidated balance sheet of Schuff as of March 30, 2014, and the related unaudited consolidated statements of operations, stockholders' equity, and cash flow of Schuff for the three months then ended as set forth on Schedule 3.8(c)(i)(2) (the "**Schuff Interim Financials**" and, together with the Schuff Audited

Financials, the "**Schuff Financials**").

(ii) Except as set forth on Schedule 3.8(c), (i) the Schuff Financials were prepared in accordance with the books and records of Schuff, (ii) have been prepared in accordance with GAAP, consistently applied, and (iii) fairly present, in all material respects, the consolidated financial position of Schuff as of the date thereof and the consolidated results of the operations of Schuff and changes in financial position for the respective periods covered thereby (except as otherwise noted therein, and in the case of Schuff Interim Financials except for the absence of footnote disclosure and subject, in the case of interim periods, to normal year-end adjustments), except, in each case, as would not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) Except as disclosed on the Disclosure Schedule, there are no Liabilities of the Company or any of its Subsidiaries of any kind whatsoever, other than: (i) Liabilities disclosed and provided for in the Company Financial Statements or the Schuff Financials; (ii) Liabilities incurred in the ordinary course of business consistent with past practice; (iii) Liabilities incurred in connection with the transactions contemplated by this Agreement or the other Transaction Agreements to which the Company is a party; or (iv) Liabilities individually or in the aggregate have not had and would not be reasonably expected to have a Material Adverse Effect (excluding clause (ii) of such definition).

(e) The Company's principal executive officer and its principal financial officer have (i) devised and maintained a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and preparation of financial statements in accordance with GAAP, and have evaluated such system at the times required by the Exchange Act and in any event no less frequently than at reasonable intervals and (ii) disclosed to the Company's management, auditors and the audit committee of the Board (x) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Company's or any of its Subsidiaries' ability to record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company, and the Company has provided to the Purchasers copies of any written materials relating to the foregoing. The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a 15 under the Exchange Act); such disclosure controls and procedures are designed to ensure that material information relating to the Company and its Subsidiaries required to be included in the Company's periodic reports under the Exchange Act is made known to the Company's principal executive officer and its principal financial officer by others within those entities, and such disclosure controls and procedures are sufficient to ensure that the Company's principal executive officer and its principal financial officer are made aware of such material information required to be included in the Company's periodic reports required under the Exchange Act. There are no outstanding loans made by the Company or any of its Subsidiaries to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of the Company. Neither the Company, nor any Subsidiary of the Company, since the date that the Company acquired (either directly or indirectly) a majority of the outstanding capital stock of such Subsidiary, has made any loans to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of the Company or any of its Subsidiaries. For the purposes of this Section 3.8(e), Schuff and its Subsidiaries shall be deemed not to be a Subsidiary of the Company.

3.9 Litigation. Except as set forth on Schedule 3.9, there are no (i) investigations or, to the Knowledge of the Company, proceedings pending or threatened by any Governmental Entity with respect to the Company or any of its Subsidiaries or any of their properties or assets, (ii) Legal Proceedings pending or, to the Knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, or any of their respective properties or assets, at Law or in equity that would reasonably be expected to result in liability to the Company or its Subsidiaries in excess of $250,000 or any other material non-monetary Liability or restrictions, or (iii) orders, judgments or decrees of any Governmental Entity against the Company or any of its Subsidiaries.

3.10 Absence of Certain Changes. Since December 31, 2013, there has not been any Change which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect and except as disclosed on Schedule 3.10, the business of the Company and its Subsidiaries has been conducted in the ordinary course of business consistent with past practices and there has not been:

(a) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Company, or any repurchase, redemption or other acquisition by the Company or any of its Subsidiaries of any outstanding shares of capital stock or other securities of the Company or any of its Subsidiaries;

(b) any incurrence, assumption or guarantee by the Company or any of its Subsidiaries of any indebtedness for borrowed money in excess of $250,000, individually, or $1,000,000, in the aggregate, or the repurchase, redemption or repayment of any indebtedness for borrowed money of the Company or any of its Subsidiaries in excess of $250,000, individually, or $1,000,000, in the aggregate, other than any such incurrence, assumption or guarantee in relation to the Loan Agreement;

(c) any event of default (or event which with notice, the passage of time or both, would become an event of default) in the payment of any indebtedness for borrowed money in an aggregate principal amount in excess of $250,000 by the Company or any of its Subsidiaries;

(d) any change in any methods of accounting by the Company or any of its Subsidiaries, except as may be appropriate to conform to changes in GAAP; or

(e) any material Tax election made by the Company or any of its Subsidiaries or any settlement or compromise of any material Tax liability by the Company or any of its Subsidiaries, except (i) as required by applicable Law or (ii) with respect to any material Tax election, consistent with elections historically made by the Company.

3.11 Compliance with Law. The Company and each of its Subsidiaries are in compliance with and are not in default under or in violation of, and have not received any written notices of non-compliance, default or violation with, in each case, in any material respect, with respect to any material Laws, in each case, except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or to materially delay or hinder the ability of the Company to perform its obligations under the Transaction Agreements.

3.12 Intellectual Property.

(a) The Company and its Subsidiaries own, license, sublicense or otherwise possess respects legally enforceable rights to use all Intellectual Property necessary to conduct the business of the Company and its Subsidiaries, as currently conducted, free and clear of all Liens (other than non-exclusive licenses granted in the ordinary course of business or Permitted Liens), except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all material Intellectual Property developed for the Company or any of its Subsidiaries by any employees, contractors and consultants of the Company or any of its Subsidiaries is exclusively owned by the Company or one of its Subsidiaries, free and clear of all Liens (other than non-exclusive licenses granted in the ordinary course of business or Permitted Liens).

(b) All Registered Intellectual Property owned by the Company or any of its Subsidiaries is subsisting and has not expired or been cancelled or abandoned and, to the Company's Knowledge, is valid and enforceable, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the Company's Knowledge, no third party is infringing, violating or misappropriating any of the Company Intellectual Property in any material respect.

(c) The execution and delivery of the Transaction Agreements to which the Company is a party by the Company and the consummation of the transactions contemplated hereby and thereby will not result in, the breach of, or create on behalf of any third party the right to terminate or modify, (i) any license or other agreement relating to any Intellectual Property owned by the Company or any of its Subsidiaries (the "**Company Intellectual Property**"), or (ii) any license, sublicense and other agreement as to which the Company or any of its Subsidiaries is a party and pursuant to which the Company or any of its Subsidiaries is authorized to use any

third party Intellectual Property, excluding generally commercially available, off-the-shelf software programs licensed for a license fee of less than $50,000 in the aggregate (the "**Third Party Intellectual Property**"), except, in either case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) Except as set forth in Schedule 3.12(d), to the Company's Knowledge, the conduct of the business of the Company and its Subsidiaries has not infringed, violated or constituted a misappropriation of any Intellectual Property of any third party and as currently conducted does not infringe, violate or constitute a misappropriation of any Intellectual Property of any third party, except, in either case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.12(d), neither the Company nor any of its Subsidiaries (i) has received any written claim or notice alleging any such infringement, violation or misappropriation, or (ii) has been or is subject to any settlement, order, decree, injunction, or stipulation imposed by any Governmental Entity that may affect the use, validity or enforceability of Company Intellectual Property.

(e) The Company and its Subsidiaries take all reasonable actions respects to protect the Company Intellectual Property and to protect and preserve the confidentiality of their trade secrets, including disclosing trade secrets to a third party only where such third party is bound by a confidentiality agreement, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.13 Employee Benefits.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, with respect to any Company Plan, no Legal Proceeding has been threatened, asserted, instituted, or, to the Knowledge of the Company, is anticipated (other than non-material routine claims for benefits, and appeals of such claims), and, to the Knowledge of the Company, no facts or circumstances exist that would give rise to any such Legal Proceeding. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) no Company Plan is or, within the last six (6) years, has been the subject of an examination or audit by a Governmental Entity, is the subject of an application or filing under, or is a participant in, a government-sponsored amnesty, voluntary compliance, self-correction or similar program,.(ii) the Company has satisfied all reporting and disclosure requirements under the Code and ERISA that are applicable to the Company Plans, and (iii) the Company has not terminated any Company Plan or taken any action with respect thereto that would result in a Lien on any of the assets or properties of the Company.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each Company Plan has been established and administered in accordance with its terms and any applicable collective bargaining agreement, and in compliance with the applicable provisions of ERISA, the Code and all other applicable laws, rules and regulations, and each Company Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service to the effect that such Company Plan is qualified under the Code (or is entitled to rely on a prototype letter with regard to such determination) and nothing has occurred that would reasonably be expected to cause the loss of such qualification. The Company and its Subsidiaries has complied with reporting and disclosure requirements under the Code and ERISA that are applicable to the Company Plans, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in Schedule 3.13(c), neither the Company, any of its Subsidiaries, nor any other entity which, together with the Company or any of its Subsidiaries would be treated as a single employer under Section 4001 of ERISA or Section 414 of the Code (each such entity, an "**ERISA Affiliate**") sponsors, maintains, contributes to, or has had in the past six (6) years an obligation at any time to sponsor, maintain or contribute to, or has any liability in respect of (i) any "defined benefit pension plan" (as defined in Section 3(35) of ERISA), (ii) any "employee benefit plan" (as defined in Section 3(3) of ERISA) subject to Section 412 of the Code or Section 302 of ERISA or Title IV of ERISA, including any "multiemployer plan" (as defined in Section 4001(a)(15) of ERISA)("**Multiemployer Plan**"), (iii) any other plan which is subject to Section 4063, 4064 or 4069 of ERISA, or (iv) any "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) that is not intended to be qualified under Section 401(a) of the Code. Except as set forth in Schedule 3.13(c), except as required by Section 4980B of the Code, no Company Plan provides any retiree or post-employment medical, disability or life insurance benefits to any person. The assets of any defined benefit pension plan equal or exceed the projected benefit obligation of such plan, as determined using the actuarial assumptions used for purposes of the Company Financial Statements or Schuff Financials. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) none of the Company, any of its Subsidiaries or ERISA Affiliates has incurred any withdrawal liability, within the meaning of Section 4201 of ERISA, or any contingent withdrawal liability under Section 4204 of ERISA, to any Multiemployer Plan, which liability could become a liability of the Company, any of its Subsidiaries, or any of its ERISA Affiliates or impose any lien or encumbrance against the assets of the Company, any Subsidiaries or any ERISA Affiliate, and the execution of the Transaction Agreements or the transactions contemplated hereby will not cause or result in any such withdrawal liability (contingent or actual), (ii) all contributions that the Company, its Subsidiaries or any of its ERISA Affiliates are required to have made to any Multiemployer Plan have been made, (iii) no liability under Title IV of ERISA has been incurred or is expected to be incurred with respect to any Company Plan subject thereto (other than PBGC premiums incurred and paid when due), nor has there been any "reportable event" within the meaning of Section 4043(c) of ERISA with respect to any such Company Plan, and (iv) no non-exempt "prohibited transaction" (within the meaning of Section 4975 of the Code or Section 406 of ERISA) has occurred with respect to any Company Plan that has subjected or could reasonably be expected to subject the Company, its Subsidiaries or any ERISA Affiliate, to a Tax or penalty pursuant to Section 502 of ERISA or Section 4975 of the Code or any other liability or penalty with respect thereto.

(d) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each "nonqualified deferred compensation plan" (as defined in Code Section 409A(d)(1) and applicable regulations) with respect to any service provider to the Company or its Subsidiaries (i) complies and has been operated in compliance with the requirements of Code Section 409A and regulations promulgated thereunder, or (ii) is exempt from compliance under the "grandfather" provisions of IRS Notice 2005-1 and applicable regulations and has not been "materially modified" (within the meaning of IRS Notice 2005-1 and Treasury Regulations §1.409A-6(a)(4)) subsequent to October 3, 2004.

(e) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all required contributions to, and premium payments on account of, each Company Plan have been made on a timely basis. Each Company Plan may be amended or terminated without penalty other than the funding or payment of benefits, fees or charges accrued or incurred through the date of termination.

(f) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set forth on Schedule 3.13(f), neither the execution of the Transaction Agreements nor the consummation of the transactions contemplated hereby and thereby will (i) accelerate the time of payment or vesting or increase the amount of compensation or benefits due to any Company employee, or (ii) give rise to any other liability or funding obligation under any Company Plan or otherwise, including liability for severance pay, unemployment compensation or termination pay.

(g) Except as set forth on Schedule 3.13(g), no Benefit Plan of the Company is maintained outside the jurisdiction of the United States, or covers any employee residing or working outside the United States (any such Benefit Plan the "**Foreign Benefit Plans**"). Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all Foreign Benefit Plans that are required to be funded are fully funded, and with respect to all other Foreign Benefit Plans, adequate reserves therefor have been established on the accounting statements of the Company or its applicable Subsidiary.

3.14 Labor Relations.

(a) (i) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as set for in Schedule 3.14, no Company employee is represented by a labor union or works council and, to the Knowledge of the Company, no organizing efforts have been conducted within the last three years or are now being conducted, (ii) neither the Company nor any of its Subsidiaries is a party to any material collective bargaining agreement or other

labor contract or collective agreement, and (iii) neither the Company nor any of its Subsidiaries currently has, or, to the Knowledge of the Company, is there now threatened, a strike, picket, work stoppage, work slowdown or other material labor dispute.

(b) (i) Each of the Company and its Subsidiaries has complied with all applicable laws relating to the employment of labor, including all applicable laws relating to wages, hours, collective bargaining, employment discrimination, civil rights, safety and health, workers' compensation, pay equity and the collection and payment of withholding and/or social security taxes, except as would not, individually or in the aggregate, have a Material Adverse Effect and (ii) neither the Company nor any of its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or any similar state or local Law within the last two years which remains unsatisfied.

3.15 Taxes.

(a) The Company and each of its Subsidiaries have filed all federal income Tax Returns and all other material Tax Returns required to have been filed as of the date hereof (taking into account any extensions that have been duly obtained) and such Tax Returns are correct and complete in all respects and have paid all Taxes required to have been timely paid by them in full through the date hereof, regardless of whether or not shown on any such Tax Return, except to the extent such Taxes are both (i) being challenged in good faith and (ii) adequately provided for on the financial statements of the Company and its Subsidiaries in accordance with GAAP, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries has any current liability, and to the Knowledge of the Company, there are no events or circumstances which would result in any liability, for Taxes of any Person (other than the Company and its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract or otherwise, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect..

(c) None of the Company or any of its Subsidiaries is a party to, is bound by or has any obligation under any Tax sharing or Tax indemnity agreement or similar Contract or arrangement other than any such agreement or similar Contract or arrangement to which the Company and any of its Subsidiaries are the exclusive parties.

(d) All Taxes required to be withheld, collected or deposited by or with respect to Company and each of its Subsidiaries have been timely withheld, collected or deposited as the case may be, and to the extent required, have been paid to the relevant taxing authority except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) No deficiencies for any Taxes have been proposed or assessed in writing against or with respect to the Company or any of its Subsidiaries, and there is no outstanding audit, assessment, dispute or claim concerning any Tax liability of the Company or any of its Subsidiaries pending or raised by an authority in writing, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No written claim has been made by any Governmental Entity in a jurisdiction where neither the Company nor any of its Subsidiaries files Tax Returns that the Company or any of its Subsidiaries is or may be subject to taxation by that jurisdiction. Neither the Company nor any of its Subsidiaries has granted any waiver of any federal, state, local or foreign statute of limitations with respect to, or any extension of a period for the assessment of, any material Tax.

(f) There are no material Liens with respect to Taxes upon any of the assets or properties of either the Company or any of its Subsidiaries, other than with respect to Taxes not yet delinquent except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) No closing agreement pursuant to Section 7121 of the Code (or any similar provision of state, local or foreign law) has been entered into by or with respect to the Company or any of its Subsidiaries.

(h) Neither the Company nor any of its Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4(b)(2).

(i) The representations and warranties expressly set forth in this Section 3.15 shall be the only representations and warranties, express or implied, written or oral, with respect to the subject matter contained in this Section 3.15.

3.16 Registration. Shares of the Common Stock are registered pursuant to Section 12(g) of the Exchange Act and there is no action pending by the Company or any other Person to terminate the registration of the Common Stock under the Exchange Act, nor has the Company received any notification that the SEC is currently contemplating terminating such registration.

3.17 Investment Company Act. The Company is not, nor immediately after the Company's receipt of the Share Purchase Price from the Purchasers, will the Company be, an "investment company" within the meaning of, and required to be registered under, the Investment Company Act of 1940, as amended.

3.18 Brokers. Except for Jefferies & Company, Inc., the Company has not retained, utilized or been represented by any broker or finder who is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement.

3.19 Subsidiaries.

(a) As of the date hereof, the Company has no Subsidiaries other than as listed in Schedule 3.19.

(b) Except as set forth on Schedule 3.19, all of the outstanding shares of capital stock of, or other equity or voting interest in, each Subsidiary of the Company (i) have been duly authorized, validly issued and are fully paid and nonassessable and (ii) are owned, directly or indirectly, by the Company, free and clear of all Liens (other than restrictions under applicable securities Laws and Liens securing the indebtedness under the Loan Agreement or under any other existing Indebtedness for borrowed money of Schuff or any of their Subsidiaries set forth on Schedule 3.2(g)).

3.20 Environmental Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(i) The Company and its Subsidiaries and their respective operations are and have been in compliance with all, and have not violated any, applicable Environmental Laws, which compliance includes the possession and maintenance of, and compliance with, all permits, licenses, authorizations, waivers, exemptions, registrations, consents, approvals and franchises from Governmental Entities required under applicable Environmental Laws ("**Environmental Permits**") for the operation of the business of the Company and its Subsidiaries; the Company has no reason to believe that any such Environmental Permits will be modified, revoked or otherwise made ineffective, or will not be renewed on terms substantially the same as those currently in effect.

(ii) Neither the Company nor any of its Subsidiaries, nor any other entity for which the Company or any of its Subsidiaries is responsible, has transported, produced, processed, manufactured, generated, used, treated, handled, stored or disposed of any Hazardous Substances, except in compliance with applicable Environmental Laws and in a manner that would not result in liability under any applicable Environmental Law. No Hazardous Substance has been released by the Company, the Subsidiaries, or to the Knowledge of the Company, by any other Person (including, without limitation, any of the predecessors in interest to the Company or any of its Subsidiaries), at,

on, about or under (i) any property now or formerly owned, operated or leased by the Company, its Subsidiaries or their respective predecessors in interest; or (ii) any property to which the Company, its Subsidiaries or their respective predecessors in interest has sent waste;

(iii) Neither the Company nor any of its Subsidiaries, nor, to the Knowledge of the Company, any of their respective predecessors in interest has exposed any employee or any third party to Hazardous Substances in violation of, or in a manner that would result in a liability under, any applicable Environmental Law or tort law;

(iv) Neither, the Company nor any of its Subsidiaries, nor, to the Knowledge of the Company, any of their respective predecessors in interest, is a party to or the subject of any pending, or, to the Knowledge of the Company, threatened, Legal Proceeding alleging Liabilities under or noncompliance with any Environmental Law or seeking to impose any financial responsibility for any investigation, cleanup, removal, containment or any other remediation or compliance under any Environmental Law. Neither the Company nor any of its Subsidiaries, nor, to the Knowledge of the Company, any of their respective predecessors in interest, is subject to any orders, judgments or decrees or agreement by or with any Governmental Entity or third party imposing any Liabilities with respect to any Environmental Laws or any Hazardous Substances;

(v) There are no liabilities of any third party arising out of or related to Environmental Laws or Hazardous Substances that the Company, its Subsidiaries or, to the Knowledge of the Company, their respective predecessors in interest has expressly agreed to assume, to indemnify or retain by contract or otherwise;

(vi) Neither the Company nor the Subsidiaries has received any notice, claim, subpoena, or summons from any Person alleging: (i) any environmental liability relating to the Company, the Subsidiaries, or their respective predecessors in interest; or (ii) any violation by the Company, the Subsidiaries or their respective predecessors in interest of any Environmental Law;

(vii) Neither the Company nor any of its Subsidiaries has manufactured any products that are not or were not in compliance with all Environmental Laws applicable to such products to be imported, sold, or otherwise marketed in any jurisdiction in which such products are currently, or have been, imported, sold, or otherwise marketed; and

(viii) None of the products currently or formerly manufactured, produced, distributed, sold, leased, licensed, repaired, delivered, installed, conveyed or otherwise put into the stream of commerce by the Company or any of its Subsidiaries, or, to the Knowledge of the Company, any other Person for which the Company or any of its Subsidiaries is responsible by contract or operation of law, contains or has contained (i) asbestos; or (ii) any other Hazardous Substance that has resulted in or would reasonably be expected to result in any liability to the Company or any of its Subsidiaries.

(b) As of the date hereof, all reports of environmental site assessments, reviews, audits, investigations or similar evaluations, and any material documents in the possession or control of the Company or any of its Subsidiaries concerning (i) environmental conditions at any facilities or real property ever owned, operated or leased by the Company, the Subsidiaries or any of their respective predecessors in interest; or (ii) any environmental liability of the Company, its Subsidiaries or any of their respective predecessors in interest have been made available to the Purchasers.

(c) The representations and warranties expressly set forth in this Section 3.20 shall be the only representations and warranties, express or implied, written or oral, with respect to the subject matter contained in this Section 3.20.

3.21 Assets.

(a) The Company and its Subsidiaries have good and marketable title to all of its or their real or personal properties (whether tangible or intangible), rights and assets, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in each case, free and clear of all Liens (other than Permitted Liens or as disclosed on Schedule 3.21). The properties and assets owned and leased by the Company and its Subsidiaries are sufficient to carry on their businesses as they are now being conducted except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company or a Subsidiary of the Company has good and valid leasehold interests in all of its leased properties, whether as lessee or sublessee (the "**Leased Real Property**"), in each case, sufficient to conduct its respective businesses as currently conducted, free and clear of all Liens (other than Permitted Liens), assuming the timely discharge of all obligations owing under or related to Leased Real Property. Except as set forth on Schedule 3.21(b), neither the Company nor any of its Subsidiaries owns or has ever owned any real property.

3.22 Insurance. The Company and its Subsidiaries have and maintain in effect policies of insurance covering the Company, its Subsidiaries or any of their respective employees, properties or assets, including policies of life, property, fire, workers' compensation, products liability, directors' and officers' liability and other casualty and liability insurance, that is in a form and amount that is customarily carried by persons conducting business similar to that of the Company and its Subsidiaries and which the Company reasonably believes are adequate for the operation of its business. All such insurance policies are in full force and effect, no written notice of cancellation has been received by the Company as of the date hereof and, to the Knowledge of the Company, no such notice is imminent, and there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default, by any insured thereunder, except for such defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no material claim pending under any of such policies as to which coverage has been denied or disputed by the underwriters of such policies and there has been no threatened termination of any such policies, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.23 Material Contracts.

(a) Except as filed as an exhibit to the Company SEC Filings or as set forth on Schedule 3.23, there are none of the following (each a "**Material Contract**"):

(i) Contracts restricting the payment of dividends upon, or the redemption, repurchase or conversion of, the Convertible Preferred Stock or the Common Stock issuable upon conversion thereof;

(ii) joint venture, partnership, limited liability or other similar Contract or arrangement relating to the formation, creation, operation, management or control of any partnership or joint venture that is material to the business of the Company and its Subsidiaries, taken as a whole;

(iii) any Contract relating to the acquisition or disposition of any business, stock or assets that (x) is material to the business of the Company and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice, or (y) has representations, covenants, escrows, indemnities, purchase price payments, "earn-outs", adjustments or other obligations that are still in effect;

(iv) Contracts containing any covenant (x) limiting the right of the Company or any of its Subsidiaries to engage in any line of business or in any geographic area, or (y) prohibiting the Company or any of its Subsidiaries from engaging in business with any Person or levying a fine, charge or other payment for doing so;

(v) "material contracts" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC, excluding any exhibits, schedules and annexes to such material contracts that are not required to be filed with the SEC, and those agreements and arrangements described in Item 601(b)(10)(iii)) with respect to the Company and its Subsidiaries required to be filed with the SEC (the Material Contracts, together with any lease, binding commitment, option, insurance policy, benefit plan or other contract, agreement, instrument or obligation (whether oral or written) to which the Company or any of its Subsidiaries may be bound, the "**Contracts**");

(vi) Contracts relating to indebtedness for borrowed money of the Company or any of its Subsidiaries in an amount exceeding $250,000;

(vii) Contracts (other than the Transaction Agreements) that would be or purport to be binding on the Purchasers or any of their Affiliates after the Closing;

(viii) Contracts with any Governmental Entity that imposes any material obligation or restriction on the Company or any of its Subsidiaries, taken as a whole; and

(ix) any material Contract with any current or former director, officer or employee, or with any HRG Affiliate.

(b) Each Material Contract is valid and binding on the Company (and/or each such Subsidiary of the Company party thereto) and, to the Knowledge of the Company, on each other party thereto, and is in full force and effect, and neither the Company nor any of its Subsidiaries that is a party thereto, nor, to the Knowledge of the Company, any other party thereto, is in breach of, or default under, any such Material Contract, and no event has occurred that with notice or lapse of time or both would constitute such a breach or default thereunder or would result in the termination thereof or would cause or permit the acceleration or other change of any right or obligation of the loss of any benefit thereunder by the Company or any of its Subsidiaries, or, to the Knowledge of the Company, any other party thereto, except for such failures to be in full force and effect and such breaches and defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.24 Right of First Refusal; Stockholders Agreement; Voting and Registration Rights; and Related Party Transactions. Except as set forth on Schedule 3.24 or as provided for in this Agreement or the other Transaction Agreements, no party has any right of first refusal, right of first offer, right of co-sale, preemptive right, anti-dilution right or other similar right regarding Equity Securities of the Company. Except as set forth on Schedule 3.24, there are no provisions of the Company's organizational documents and no Material Contracts other than the Certificate of Designation, this Agreement or the other Transaction Agreements, which (a) may affect or restrict the voting rights of the Purchasers with respect to the Shares in their capacity as stockholders of the Company, (b) restrict the ability of the Purchasers, or any successor thereto or assignee or transferee thereof, to transfer the Shares, (c) would adversely affect the Company's or the Purchasers' right or ability to consummate the transactions contemplated by this Agreement or comply with the terms of the other Transaction Agreements or the Certificates of Designation and the transactions contemplated hereby or thereby, (d) require the vote of more than a majority of the Company's issued and outstanding Common Stock or require a separate class vote, voting together as a single class, to take or prevent any corporate action (other than those matters expressly requiring a different vote under the provisions of the DGCL) or (e) entitle any party to nominate or elect any director of the Company or require any of the Company's stockholders to vote for any such nominee or other person as a director of the Company. Except for the matters disclosed on Schedule 3.24 or as described in the Company SEC Filings, no Affiliate of the Company or any of its Subsidiaries and no officer or director (or equivalent) of the Company or any of its Subsidiaries (or, to the Company's Knowledge, any family member of any such Person who is an individual or any entity in which any such Person or any such family member thereof owns a material interest): (a) has any material interest in any material asset owned or leased by the Company or any of its Subsidiaries or used in connection with the business of the Company or (b) has engaged in or is a party to any material transaction, arrangement or understanding with the Company or any of its Subsidiaries (other than payments made to, and other compensation provided to, officers and directors (or equivalent) in the ordinary course of business).

3.25 Schuff Acquisition.

(a) Representations and Warranties. To the Company's Knowledge, the representations and warranties made by the Seller (as such term is defined in the Stock Purchase Agreement by and among the Company, SAS Venture LLC and Scott A Schuff, dated as of May 12, 2014 (the "**Schuff SPA**")) are true and correct in all respects as of the date hereof.

(b) Capitalization. As of the date of this Agreement, there are issued and outstanding a total of 4,183,385 shares of common stock, par value $0.001 per share ("**Schuff Common Stock**") of Schuff. The authorized and issued shares of capital stock of Schuff consists solely of 10,038,707 shares of Schuff Common Stock. Except as set forth on Schedule 3.25(b), (i) there are no outstanding Equity Securities of Schuff International other than shares of Schuff Common Stock, and (ii) there are no other obligations by Schuff or any of its Subsidiaries to make any payments based on the price or value of any Equity Securities of Schuff, (iii) there are no outstanding agreements of any kind which obligate Schuff or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Equity Securities of Schuff and (iv) neither Schuff nor any of its Subsidiaries is a party to any agreement relating to the voting of, requiring registration of, or granting any preemptive, anti-dilutive rights or rights of first refusal or other similar rights with respect to any Equity Securities of Schuff.

3.26 Section 203 of DGCL. The Company has elected in its certificate of incorporation not to be governed by Section 203 of the DGCL and no other state takeover statute or similar regulation applies to or purports to apply to the Transaction Agreements and the transactions contemplated hereby and thereby.

3.27 No Other Representations and Warranties. Except for the representations and warranties contained in Section 3 (including, or as qualified by, the Disclosure Schedule), the Company makes no other representation or warranty, express or implied, written or oral, and hereby, to the maximum extent permitted by applicable Law, disclaims any such representation or warranty, whether by the Company or any other Person, with respect to the Company or with respect to any other information (including, without limitation, pro-forma financial information, financial projections or other forward-looking statements) provided to or made available to any Purchaser in connection with the transactions contemplated hereby. Neither the Company nor any other Person will have or be subject to any liability or indemnification obligation to any Purchaser or any other Person resulting from any other express or implied representation or warranty with respect to the Company, unless any such information is expressly included in a representation or warranty contained in Section 3 or in an applicable section of the Disclosure Schedule.

4. Representations and Warranties of the Purchasers. Except with respect to Section 4.10(b), each Purchaser represents and warrants, severally and not jointly, to the Company as follows:

4.1 Organization. Such Purchaser is a legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization.

4.2 Authorization. Such Purchaser has all requisite corporate or other power to enter into this Agreement and the other Transaction Agreements to which such Purchaser is a party and to consummate the transactions contemplated by the Transaction Agreements to which such Purchaser is a party and to carry out and perform its obligations thereunder. All corporate or other action on the part of such Purchaser or the holders of the capital stock or other equity interests of such Purchaser necessary for the authorization, execution, delivery and performance of the Transaction Agreements to which such Purchaser is a party has been taken. Upon their respective execution by such Purchaser and the other parties thereto and assuming that they constitute legal and binding agreements of the Company, each of the Transaction Agreements to which such Purchaser is a party will constitute a legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser in accordance with its terms, except that such enforceability (a) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar Laws affecting or relating to creditors' rights generally, and (b) is subject to general principles of equity (regardless of whether considered in a proceeding in equity or at Law).

4.3 No Conflict. The execution, delivery and performance of the Transaction Agreements to which such Purchaser is a party by such Purchaser, the issuance of the Shares and the Common Stock upon conversion of the Preferred Shares in accordance with the Certificate of Designation and the consummation of the

other transactions contemplated hereby will not (i) conflict with or result in any violation of any provision of the certificate of incorporation or by-laws or other equivalent organizational document, in each case as amended, of such Purchaser, (ii) result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, require consent under, any Contract binding upon such Purchaser or (iii) subject to the matters referred to in Section 4.4, conflict with or violate any applicable Laws or any judgment, order, injunction or decree issued by any Governmental Entity, except in the case of each of clauses (i), (ii) and (iii) as would not, individually or in the aggregate, be reasonably expected to materially delay or hinder the ability of such Purchaser to perform its obligations under the Transaction Agreements (with respect to each Purchaser, a "**Purchaser Adverse Effect**").

4.4 Consents. No Consent of any Governmental Entity is required on the part of such Purchaser in connection with (a) the execution, delivery or performance of the Transaction Agreements to which such Purchaser is a party and the consummation of the transactions contemplated hereby and thereby, and (b) the issuance of the Shares or the issuance of the Common Stock upon conversion of the Preferred Shares in accordance with the Certificate of Designation, other than (i) those to be obtained, in connection with the registration of the Shares under the Registration Rights Agreement, under the applicable requirements of the Securities Act and any related filings and approvals under applicable state securities Laws, (ii) such filings and approvals as may be required by any federal or state securities Laws, including compliance with any applicable requirements of the Exchange Act, and (iii) such Consents the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Purchaser Adverse Effect.

4.5 Brokers. Such Purchaser has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement whose fees the Company would be required to pay.

4.6 Purchase Entirely for Own Account. Such Purchaser is acquiring the Shares for its own account solely for the purpose of investment, not as nominee or agent, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act, and such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same, in violation of the Securities Act. Such Purchaser has no present agreement, undertaking, arrangement, obligation or commitment providing for the disposition of the Shares.

4.7 Investor Status. Such Purchaser certifies and represents to the Company that such Purchaser is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act. Such Purchaser's financial condition is such that it is able to bear the risk of holding the Shares for an indefinite period of time and the risk of loss of its entire investment. Such Purchaser has been afforded the opportunity to receive information from, and to ask questions of and receive answers from the management of, the Company concerning this investment so as to allow it to make an informed investment decision prior to its investment and has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of its investment in the Company.

4.8 Securities Not Registered.

(a) Such Purchaser understands that the Shares and the Conversion Shares have not been approved or disapproved by the SEC or by any state securities commission nor have the Shares or the Conversion Shares been registered under the Securities Act, by reason of their issuance by the Company in a transaction exempt from the registration requirements of the Securities Act, and that the Shares and the Conversion Shares must continue to be held by such Purchaser unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration. Such Purchaser understands that the exemptions from registration afforded by Rule 144 under the Securities Act ("**Rule 144**") (the provisions of which are known to it) depend on the satisfaction of various conditions, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts.

(b) The Shares and the Conversion Shares shall be subject to the restrictions contained herein.

(c) It is understood that the Shares and the Conversion Shares, and any securities issued in respect thereof or in exchange therefor, may bear one or all of the legends set forth in Section 9.

4.9 Financing. Such Purchaser has (and at the Closing will have) an amount of cash sufficient to enable it to consummate the transactions contemplated hereunder (including the purchase of the Shares set forth next to such Purchaser's name on Annex A) on the terms and conditions set forth in this Agreement.

4.10 Equity Securities of the Company and its Subsidiaries.

(a) None of such Purchaser or any of its Affiliates (other than the DG Purchasers) Beneficially Owns any Equity Securities of the Company or any of its Subsidiaries, except, as of the Closing, the Shares.

(b) The DG Purchaser represents and warrants to the Company that the DG Purchaser or any of its Affiliates Beneficially Owns 1,192,335 Common Shares of the Company as of the Closing and no Preferred Shares, as of the Closing.

(c) The HG Pruchaser represents and warrants to the Company the the HG Purchaser or any of tis Affiliates Beneficially Owns 113,872 Common Shares of the Company as of the Closing and no Preferred Shares, as of the Closing.

4.11 Indebtedness. Except as disclosed to the Company in writing on or prior to the date hereof, neither such Purchaser nor any of its Affiliates owns any debt securities or other indebtedness issued by the Company or any of its Subsidiaries.

5. Covenants.

5.1 Shares Issuable Upon Conversion. The Company will at all times have reserved and available for issuance such number of shares of Common Stock as shall be from time to time sufficient to permit the conversion in full of the outstanding Preferred Shares into Common Stock, including as may be adjusted for share splits, combinations or other similar transactions as of the date of determination or due to the accrual of Accreting Dividends.

5.2 Commercially Reasonable Efforts; Further Assurances.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of the Purchasers and the Company shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties or parties hereto in doing, all things reasonably necessary, proper or advisable under applicable Law to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Agreements, including using commercially reasonable efforts to: (i) cause the conditions to the applicable Closing set forth in Section 6 to be satisfied; (ii) obtain all necessary actions or non-actions, waivers, consents, approvals, orders and authorizations from Governmental Entities and make all necessary registrations, declarations and filings with Governmental Entities; and (iii) execute or deliver any additional instruments reasonably necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement and the other Transaction Agreements.

(b) Each party agrees to cooperate with each other and their respective officers, employees, attorneys, accountants and other agents, and, generally, do such other reasonable acts and things in good faith as may be reasonably necessary to effectuate the transactions contemplated by this Agreement and the other Transaction

Agreements, subject to the terms and conditions hereof and thereof and compliance with applicable Law, including taking reasonable action to facilitate the filing of any document or the taking of reasonable action to assist the other parties hereto in complying with the terms hereof and thereof.

5.3 Standstill.

(a) Each Purchaser hereby agrees that from the Closing until the date that is three (3) years following the Closing (the "**Standstill Period**"), such Purchaser shall not, and shall cause its Affiliates not to, directly or indirectly:

(i) except for Equity Securities of the Company received (1) by way of stock splits, stock dividends, reclassifications, recapitalizations or other distributions by the Company in respect of the Shares (or the Common Stock issuable on conversion of the Preferred Shares), (2) pursuant to the conversion of the Preferred Shares, (3) pursuant to Section 5.4 or 5.5, (4) by such Purchaser by way of a transfer or sale from any other Purchaser, (5) by way of an issuance by the Company, or (6) upon the exercise or conversion of any convertible or exercisable Equity Securities of the Company received pursuant to the foregoing sub-clauses (1), (2), (3), (4) or (5), (x) acquire (directly or indirectly, by purchase or otherwise) any Equity Securities of the Company or (y) authorize or make a tender offer, exchange offer or other offer or proposal, whether oral or written, to acquire (directly or indirectly, by purchase or otherwise) Equity Securities of the Company, in each case, if such acquisition (together with any other Equity Securities of the Company previously acquired) would result in such Purchaser and its Affiliates Beneficially Owning (on an as converted basis) an amount of Common Stock equal to or greater than fifteen percent (15%) of the Company's issued and outstanding Common Stock (assuming the conversion of the Preferred Shares held by such Purchaser and its Affiliates);

(ii) except indirectly as a result of ownership of Equity Securities of the Company acquired hereunder at any Closing or thereafter in accordance with Section 5.3(a)(i), (x) acquire (directly or indirectly, by purchase or otherwise) any Equity Securities of any Subsidiary of the Company or (y) authorize or make a tender offer, exchange offer or other offer or proposal, whether oral or written, to acquire (directly or indirectly, by purchase or otherwise) Equity Securities of any Subsidiary of the Company, in each case if such acquisition (together with any other Equity Securities of any Subsidiary of the Company previously acquired) would result in such Purchaser and its Affiliates Beneficially Owning (on an as converted basis) an amount of any such Subsidiary's common stock equal to or greater than fifteen percent (15%) of such Subsidiary's issued and outstanding common stock (assuming conversion of any Equity Securities that is convertible into common stock held by such Purchaser and its Affiliates);

(iii) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the SEC), or seek to advise or influence any Person (other than (x) such Purchaser or its Affiliates or (y) in accordance with and consistent with the recommendation of the Board) with respect to the voting of any Voting Stock;

(iv) authorize or commence any tender offer or exchange offer for shares of Voting Stock (for the avoidance of doubt, tendering into any tender offer or exchange offer not otherwise violating this clause this Section 5.3(a)(iv) will not violate this Section 5.3(a)(iv));

(v) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Exchange Act, for the purpose of voting, acquiring, holding, or disposing of any Voting Stock;

(vi) submit to the Board a written proposal for or offer of (with or without conditions), any merger, recapitalization, reorganization, business combination or other extraordinary transaction involving the Company or any Subsidiary thereof or any of the securities or assets, or make any public announcement with respect to such proposal or offer;

(vii) request the Company or any of its Affiliates, directly or indirectly, to amend or waive any provision of this Section 5.3; or

(viii) enter into any arrangements with any third party concerning any of the foregoing.

(b) If, at any time prior to the termination of the Standstill Period, (i) the Company has entered into a definitive agreement, the consummation of which would result in a Change of Control, (ii) any Person shall have commenced and not withdrawn a bona fide public tender or exchange offer which if consummated would result in a Change of Control and the Board has not recommended that the stockholders of the Company reject such offer within the time period contemplated by Rule 14e 3 under the Exchange Act, or (iii) the Company files or consents to the filing against the Company of a petition for relief or reorganization or arrangement or any other petition in bankruptcy, insolvency, reorganization or other similar Law, makes an assignment for the benefit of creditors or consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or with respect to any substantial part or its property, then, in each case, for so long as such condition continues to apply, the limitation on the actions described in clauses (iii), (iv), (v), (vi), (vii) and (viii) of Section 5.3(a) (and any related acquisition of Beneficial Ownership by such Purchaser and/or their Affiliates) shall not be applicable to such Purchaser.

(c) Anything in this Section 5.3 to the contrary notwithstanding, this Section 5.3 shall not be construed to prohibit or restrict (i) any actions taken by any designee, nominee or appointee on the Board, in their capacities as a member of the Board and in compliance with and subject to his or her fiduciary duties as a member of the Board, (ii) the Purchaser from making non-public suggestions, recommendations and proposals regarding the future management of, or business plans of, the Company to the Company's management or its Board, in each case that would not require any Person to publicly disclose such suggestions, recommendations or proposals, or (iii) taking any action for purposes of exercising or enforcing such Purchaser's Preferred Elected Director Right under this Agreement or the Certificate of Designation.

5.4 Participation Rights.

(a) For so long as a Purchaser owns at least 50% of the aggregate number of Preferred Shares issued to such Purchaser and its Affiliates at the Closing (or the Common Stock issued upon conversion thereof), the Company shall not issue, or agree to issue, any Equity Securities of the Company to any Person unless the Company offers such Purchaser the right (the "**Securities Participation Right**") to purchase in the aggregate (i) subject to the following clause (ii), up to the number of such Equity Securities of the Company (the "**Securities Participation Amount**") equal to the product of (x) the total number of such offered shares of Equity Securities of the Company multiplied by (y) such Purchaser's Participation Rights Fraction, or (ii) in the event that the Equity Securities of the Company issued are preferred stock that are not convertible into Common Stock (or Equity Securities of the Company that are convertible into Common Stock) and non-voting (treating preferred stock that is entitled to elect no more than two directors upon a default resulting from the failure to pay six (6) or more consecutive quarterly dividends as non-voting for this purpose) ("**Non-Convertible Preferred Securities**"), up to 25% of the total issuance by the Company (the "**Non-Convertible Preferred Participation Amount"**), at the same price per security (payable in cash, except to the extent that the consideration for such issuance is an exchange of Convertible Preferred Stock) and otherwise upon the same terms and conditions as those offered to such Person in accordance with the procedures set forth in this Section 5.4; provided that the Securities Participation Rights shall not be applicable to the issuance of the following Equity Securities of the Company: (i) an underwritten registered public offering of Common Stock for cash (which shall exclude for this purpose any registered direct offering to one or more purchasers (other than to or through brokers, dealers, underwriters or market makers, in each case purchasing for resale to investors) in an aggregate amount greater than the lesser of $5 million and 1% of the shares the Company's Common Stock then outstanding), (ii) an issuance of equity or equity linked securities pursuant to any director, officer or employee compensation arrangements that is permitted, or not prohibited by, the Certificate of Designation or any issuance of equity or equity linked securities pursuant to the existing terms of any such arrangements in effect as of the Closing Date, (iii) an issuance of equity to a seller, or in the case of a merger, the shareholders of the target company, and the employees or officers of any target company in connection with a bona fide merger, business combination transaction or acquisition of stock or assets outside of the ordinary course (other than any issuance to an Affiliate in connection thereof), (iv) a conversion of shares of one class of capital stock of the Company into shares of another class of capital stock of the Company in accordance with the terms of such securities, (v) a stock split or other subdivision or combination, or a stock dividend made to all holders on a pro rata basis of any Equity Securities of the Company,

(vi) an issuance of any Additional Preferred Securities following compliance with Section 5.5, or (vii) an issuance of Equity Securities of the Company that is incidental to and is issued as part of a debt financing from a bank, institutional lender or similar financial institution. For purposes of clarity, the parties agree that the issuance of Conversion Shares shall not be subject to the Securities Participation Rights. In no event will any Convertible Preferred Stock (or any Common Stock issuable in connection with the conversion of any Convertible Preferred Stock) issued in connection with or as a result of accretions to the face amount of, or payments in kind with respect to, any Convertible Preferred Stock or Equity Securities of the Company outstanding on the Closing or otherwise permitted to be issued, or not prohibited, by the Certificate of Designation be subject to the Securities Participation Rights. A Purchaser shall be entitled to apportion or assign its Securities Participation Amount or Non-Convertible Preferred Participation Amount in such proportions as it deems appropriate, among itself, its Affiliates, and to any other Purchaser, provided that the total amount of Non-Convertible Preferred Participation Amount that the Purchasers shall be entitled to purchase in the aggregate pursuant to this section shall not exceed 25% of the aggregate amount of Non-Convertible Preferred Securities issued in such transaction.

(b) In addition to the foregoing, for so long as a Purchaser (along with its Affiliates) owns at least 50% of the aggregate number of Preferred Shares issued to such Purchaser and its Affiliates at the Closing (or the Common Stock issued upon conversion thereof), if the Company or any Subsidiary of the Company determines to (x) sell or issue debt securities to, or (y) establish any loan or credit facility or line of credit with, any lender(s) (each a "**Debt Transaction Lender**" and collectively the "**Debt Transaction Lenders**"), in each case, resulting in or providing for the incurrence of indebtedness for borrowed money by the Company or such Subsidiary (excluding (i) trade payables, (ii) capital lease obligations, (iii) indebtedness solely by and between the Company and any of its Wholly Owned Subsidiaries, or (iv) any working capital credit facility or line of credit providing financing to Schuff or any of its Subsidiaries) (any such issuance or incurrence not so excluded, a "**Debt Transaction**"), the Company must offer, or cause the Subsidiary to offer, such Purchaser (along with its Affiliates) the right (the "**Debt Participation Right**" and, together with the Securities Participation Right, the "**Participation Rights**") to purchase a portion of the securities or indebtedness issued or incurred in such Debt Transaction equal to, for each Participating Purchaser, 12.5% of the aggregate principal amount of the securities or indebtedness issued or incurred in such Debt Transaction; and for the DG Purchasers, 5% of the aggregate principal amount of the securities or indebtedness issued or incurred in such Debt Transaction (the "**Debt Participation Amount**"), on the same terms and conditions as the Debt Transaction Lenders. A Purchaser shall be entitled to apportion or assign its Debt Participation Amount in such proportions as it deems appropriate, among itself, its Affiliates, and to any other Purchaser, provided that the total amount of Debt Participation Amount that the Purchasers shall be entitled to purchase in the aggregate pursuant to this section shall not exceed 30% of the aggregate principal amount of the securities or indebtedness issued or incurred in such Debt Transaction.

(c) *Securities Participation Rights Process.*

(i) The Company shall send a written notice (the "**Securities Participation Rights Notice**") to each Purchaser stating the number of Equity Securities of the Company to be offered, a description of the terms of such Equity Securities of the Company if not Common Stock, the price and terms on which it proposes to offer such Equity Securities of the Company (including a description of any non-cash consideration sufficiently detailed to permit a valuation thereof), and a reference to such Purchaser's Securities Participation Rights hereunder.

(ii) Within ten (10) Business Days after the delivery of the Securities Participation Rights Notice, each such Purchaser may elect by written notice to the Company (the "**Securities Exercise Notice**") to purchase such Equity Securities of the Company, at the price and on the terms specified in the Securities Participation Rights Notice (or, if such price includes non-cash consideration, an amount of cash equal to the fair market value of such non-cash consideration, except to the extent that the consideration for such issuance is an exchange of Convertible Preferred Stock), up to (i) such Purchaser's Securities Participation Amount or, (ii) in the event that the offered securities are preferred securities that are not convertible into Common Stock or Equity Securities of the Company that are convertible into Common Stock, up to such Purchaser's Non-Convertible Preferred Participation Amount (or, in the case of each of the foregoing clauses (i) and (ii), such higher amount as has been assigned to such Purchaser by any other Purchaser in accordance with Section 5.4(a) hereof). A Securities Exercise Notice shall constitute a binding agreement of such Purchaser to purchase the amount of Equity Securities of the Company so specified at the price and other terms set forth in the Securities Participation Rights Notice (subject to the form, terms and conditions of the definitive documentation thereof being reasonable satisfactory to such Purchaser). Assuming delivery of the Securities Participation Rights Notice in accordance with the terms hereof, the failure of any such Purchaser to respond within such ten (10) Business Day period shall be deemed a waiver of such Purchaser's rights under this Section 5.4 with respect to the offering described in the applicable Securities Participation Rights Notice. Notwithstanding anything to the contrary herein, at any time prior to the issuance of the Equity Securities of the Company (whether or not a Securities Exercise Notice shall have been delivered), the Company may elect (in its sole discretion), upon written notice to the applicable Purchasers, not to issue such Equity Securities of the Company and rescind, in such event, the applicable Securities Participation Rights Notice without liability to any Person hereunder.

(iii) Subject to the last sentence of this Section 5.4(c)(iii), the Company may offer the Equity Securities of the Company specified in the Securities Participation Rights Notice in excess of the Securities Participation Amount, if any, to any Person or Persons at a price not less than, and on terms no more favorable to such offerees than, those set forth in such Securities Participation Rights Notice, at any time after the Securities Participation Rights Notice is sent but on or before the 90th day after the Securities Participation Rights Notice was sent. In addition, during the period beginning ten (10) Business Days after the Securities Participation Rights Notice was sent and ending on the 90th day after the Securities Participation Rights Notice was sent, the Company may offer any Equity Securities of the Company of the Securities Participation Amount that are not timely elected to be purchased by the applicable Purchasers in accordance herewith to any other Person or Persons, provided that if such Equity Securities of the Company are to be offered at a price less than, or on terms materially more favorable to such offerees than, those specified in the Securities Participation Rights Notice, the Company shall promptly notify the applicable Purchasers in writing of such modified terms and such Purchasers shall have five (5) Business Days after the receipt of such notice in which to elect to purchase the Securities Participation Amount of such Equity Securities of the Company at the price and on the terms specified in such subsequent notice.

(iv) The closing of the purchase of Equity Securities of the Company by each Purchaser pursuant to this Section 5.4(c) shall occur as promptly as practicable following delivery of the Securities Exercise Notice to the Company by all Purchasers; provided that such closing shall be subject to and shall occur not earlier than the later of (x) concurrently with the closing of the purchase of Equity Securities of the Company by such offeree and (y) ten (10) Business Days after delivery of the Securities Exercise Notice by each Purchaser to the Company. The closing of the purchase of Equity Securities of the Company by the applicable Purchasers pursuant to this Section 5.4(c) shall also be subject to the receipt of any necessary regulatory approvals, the expiration of any required waiting periods and applicable Law.

(v) Notwithstanding anything to the contrary contained in this Agreement, in the event any Purchaser would be required to file any Notification and Report Form pursuant to the HSR Act as a result of the purchase of Equity Securities of the Company by such Purchaser pursuant to this Section 5.4, the closing of such purchase by such Purchaser shall be delayed (in whole, or at the option of such Purchaser, only to the extent necessary to avoid a violation of the HSR Act), until such Purchaser shall have made such filing under the HSR Act and such Purchaser shall have received early termination clearance in respect thereof or the waiting period in connection with such filing under the HSR Act shall have expired. In such circumstances such Purchaser shall use commercially reasonable efforts to make such filing and obtain such clearance or expiration of such waiting period as promptly as reasonably practical and the Company shall use commercially reasonable efforts to make all required filings and reasonably cooperate with and assist such holder in connection with the making of such filing and obtaining such clearance or expiration of such waiting period.

(d) *Debt Participation Rights Process.*

(i) The Company shall send a written notice (the "**Debt Participation Rights Notice**") to each Purchaser stating the amount of indebtedness the Company or its Subsidiary plans to incur in connection with the Debt Transaction, a description of the terms and conditions of the Debt Transaction, and a reference to the such Purchaser's Debt Participation Rights hereunder.

(ii) Within ten (10) Business Days after the delivery of the Debt Participation Rights Notice, each such Purchaser may elect by written notice to the Company (the "**Debt Exercise Notice**"), to participate in the Debt Transaction on the terms and conditions specified in the Debt Participation Rights Notice, for a portion of the indebtedness issued or incurred in the Debt Transaction up to the Debt Participation Amount (or such higher amount as assigned to such Purchaser by

any other Purchaser in accordance with Section 5.4(b) hereof) and the Company or its Subsidiary, as the case may be, shall include or shall cause the Debt Transaction Lenders to include such Purchaser as a lender in such Debt Transaction. A Debt Exercise Notice shall constitute a binding agreement of such Purchaser to purchase the amount of indebtedness issued or incurred in the Debt Transaction so specified at the price and other terms set forth in the Debt Participation Rights Notice (subject to the form, terms and conditions of the definitive documentation thereof being reasonable satisfactory to such Purchaser). Assuming delivery of the Debt Participation Rights Notice in accordance with the terms hereof, the failure of such Purchaser to respond within such ten (10) Business Day period shall be deemed a waiver of such Purchaser's rights under this Section 5.4 with respect to the offering described in the applicable Debt Participation Rights Notice. Notwithstanding anything to the contrary herein, at any time prior to the closing of a Debt Transaction (whether or not a Debt Exercise Notice shall have been delivered), the Company or its Subsidiary, as the case may be, may elect (in its sole discretion), upon written notice to such Purchaser, to terminate such Debt Transaction and, in such event, rescind the applicable Debt Participation Rights Notice without liability to any Person hereunder.

(iii) Subject to the last sentence of this Section 5.4(d)(iii), the Company or its Subsidiary, as the case may be, may offer indebtedness in connection with any Debt Transaction specified in the Debt Participation Rights Notice in excess of the Debt Participation Amount, if any, to any Person or Persons at a price not less than, and on terms no more favorable to such offerees than, those set forth in such Debt Participation Rights Notice, at any time after the Debt Participation Rights Notice is sent but on or before the 90th day after the Debt Participation Rights Notice was sent. In addition, during the period beginning ten (10) Business Days after the Debt Participation Rights Notice was sent and ending on the 90th day after the Debt Participation Rights Notice was sent, the Company or its Subsidiary, as the case may be, may offer any indebtedness of the Debt Participation Amount that is not timely elected to be purchased by the applicable Purchaser in accordance herewith to any other Person or Persons, provided that if such indebtedness is to be offered at a price less than, or on terms materially more favorable to such offerees than, those specified in the Debt Participation Rights Notice, the Company shall promptly notify the applicable Purchaser in writing of such modified terms and such Purchaser shall have five (5) Business Days after the receipt of such notice in which to elect to purchase the Debt Participation Amount of such indebtedness at the price and on the terms specified in such subsequent notice.

(iv) The closing of the purchase of the indebtedness in the Debt Transaction by each Purchaser pursuant to this Section 5.4(d) shall occur as promptly as practicable following the delivery of the Debt Exercise Notice to the Company by all Purchasers; provided that such closing shall be subject to and shall occur not earlier than the later of (x) concurrently with the closing of the purchase of the indebtedness by the applicable offeree and (y) ten (10) Business Days after delivery of the Debt Exercise Notice to the Company by each Purchaser. The closing of the purchase of the indebtedness by the applicable Purchaser pursuant to this Section 5.4(d) shall also be subject to the receipt of any necessary regulatory approvals, the expiration of any required waiting periods and applicable Law.

5.5 Rights with Respect to Additional Preferred Security. Subject to the terms and conditions of this Subsection 5.5 and applicable securities laws, and for so long as a Purchaser (along with its Affiliates) owns at least 50% of the aggregate number of Preferred Shares issued to such Purchaser and its Affiliates at the Closing (or the Common Stock issued upon conversion thereof), if the Company proposes to offer or sell any Additional Preferred Securities, the Company shall first offer such Additional Preferred Securities to each Purchaser. A Purchaser shall be entitled to (i) apportion or assign the right of first offer to purchase any Additional Preferred Securities hereby granted to it (the "**Right of First Offer**") in such proportions as it deems appropriate, among itself, its Affiliates and to any other Purchaser.

(a) The Company shall give notice (the "**Offer Notice**") to each Purchaser, stating (i) its bona fide intention to offer such Additional Preferred Securities, (ii) the number of such Additional Preferred Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Additional Preferred Securities. The Company shall be required to give an additional Offer Notice to each Purchaser if, at any time following the delivery of the first Offer Notice, there is any alteration of the material terms upon which it proposes to offer such Additional Preferred Securities (including but not limited to a reduction in the proposed conversion price).

(b) By notification to the Company within five (5) days after the Offer Notice is given, each Purchaser may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such Additional Preferred Securities which equals the proportion that the Common Stock then held by such Purchaser (along with its Affiliates) on an as converted basis bears to the total Common Stock then held by all the Purchasers (along with their Affiliates) on an as converted basis (or such higher amount as has been assigned to such Purchaser by any other Purchaser in accordance with Section 5.5 hereof). At the expiration of such five (5) day period, the Company shall promptly notify each Purchaser that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Purchaser's failure to do likewise. During the five (5) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the Additional Preferred Securities for which the Purchasers were entitled to subscribe but that were not subscribed for by the Purchasers which is equal to the proportion that the Common Stock issued and held by such Purchaser (along with its Affiliates) on an as converted basis bears to the Common Stock issued and held (on an as converted basis) by all the other Fully Exercising Purchasers who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 5.5(b) shall occur within the later of ninety days of the date that the Offer Notice is given and the date of initial sale of Additional Preferred Securities pursuant to Subsection 5.5(c).

(c) If all Additional Preferred Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 5.5(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 5.5(b), offer and sell the remaining unsubscribed portion of such Additional Preferred Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree in any material respect, than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the Additional Preferred Securities within such period, or if such agreement is not consummated within ninety (90) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Additional Preferred Securities shall not be offered unless first reoffered to the Purchasers in accordance with this Subsection 5.5.

5.6 Hedging Restrictions. Each Purchaser agrees that, during the Hedging Limitation Period, it shall not, and shall cause each of its Affiliates not to, enter into any Hedging Agreement with respect to the Common Stock or the Convertible Preferred Stock or the equity securities of any Subsidiary of the Company that are traded on a national securities exchange or the OTCQB. For the avoidance of doubt, following the Hedging Limitation Period, nothing in this Section 5.6 shall prohibit such Purchaser or its Affiliates from entering into any Hedging Agreement with respect to the Common Stock or the Convertible Preferred Stock or the equity securities of any Subsidiary of the Company, including any transactions involving an index-based portfolio of securities that includes Common Stock or the equity securities of any Subsidiary of the Company (regardless of the value of such Common Stock or equity securities of any Subsidiary of the Company in such portfolio relative to the total value of the portfolio of securities) or involving the purchase or sale of derivative securities or any short sale of the Common Stock or the equity securities of any Subsidiary of the Company.

5.7 Form 8-K. The Company shall, promptly following the date hereof (but in any event within the time period required by the rules and regulations of the SEC), file a Current Report on Form 8-K, disclosing the material terms of the transactions contemplated hereby and filing the Transaction Agreements as exhibits thereto, provided that the Company shall afford the Purchasers with reasonable opportunity to review and comment on such Current Report on Form 8-K prior to the filing thereof.

5.8 Tax Characterization. Unless otherwise required by a "determination", as defined in Section 1313(a) of the Code, the parties agree to treat the Convertible Preferred Stock as stock other than preferred stock for U.S. federal, and to the extent applicable, state and local income tax purposes.

5.9 Confidential Information.

(a) Each Purchaser recognizes that Confidential Information may have been and may be disclosed to such Purchaser by the Company or any of its Subsidiaries. Each Purchaser shall not engage in the unauthorized use, and shall cause its Affiliates not to engage in the unauthorized use, or make any unauthorized disclosure to any third party, of any Confidential Information without the prior written consent of the Company and shall use due care to ensure that such Confidential Information is kept confidential, including by treating such information as such party would treat its own Confidential Information. Notwithstanding the foregoing, the Purchasers shall have the right to share any Confidential Information with any of their Representatives, each of whom shall be required to agree to keep confidential such Confidential Information to the extent required of the Purchaser under this Section 5.9. As used herein, "**Confidential Information**" means all information, knowledge, systems or data relating to the business, operations, finances, policies, strategies, intentions or inventions of the Company and/or its Subsidiaries (including any of the terms of this Agreement) from whatever source obtained, except for any such information, knowledge, systems or data which (i) has become publicly known and made generally available through no wrongful act of such Purchaser, (ii) has been rightfully received by such Purchaser from a third party who, to the knowledge of such Purchaser, is not bound any obligations of confidentiality with respect to such information, knowledge, systems or data, (iii) is independently developed by such Purchaser without use of Confidential Information, (iv) is already known by or is already in the possession of such Purchaser or any of its Affiliates prior to the date hereof, or (v) subject to the obligations set forth in Section 5.9(b), is required by law, court order, subpoena, stock exchange, self-regulatory organization, governmental agency, or regulatory body to be disclosed.

(b) If any Purchaser is requested to disclose any Confidential Information by any Governmental Entity or for any regulatory reason, such Purchaser will promptly notify the Company, as is reasonably practicable and legally permissible under the circumstances, to permit it to seek a protective order or take other action that the Board in its discretion deems appropriate, and such Purchaser will cooperate in any such efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information, at the Company's sole cost and expense. If, in the absence of a protective order, such Purchaser is compelled to disclose any such information in any proceeding or pursuant to legal process, such Purchaser may disclose to the party compelling disclosure only the part of such Confidential Information as is required to be disclosed (in which case, prior to such disclosure, such Purchaser will advise and, if requested by the Board, consult with the Company and its counsel as to such disclosure and the nature and wording of such disclosure) and such Purchaser will use its commercially reasonable efforts to obtain confidential treatment therefor. Notwithstanding the foregoing, the Purchaser shall not be required to notify the Company if it is required to disclose Confidential Information pursuant to a routine regulatory inquiry or blanket document request, not targeting the Company or the Board.

6. Conditions Precedent.

6.1 Conditions to the Obligation of the Hudson Bay Purchaser to Consummate the Closing. The obligations of the Hudson Bay Purchaser to consummate the transactions to be consummated at the Closing, and to purchase and pay for the Shares pursuant to this Agreement, are subject to the satisfaction of the following conditions precedent:

(a) the Company shall have filed with the Secretary of State of the State of Delaware the Certificate of Designation;

(b) the Company shall have executed and delivered the Registration Rights Agreement;

(c) the Schuff Acquisition shall occur concurrently with the Closing in accordance with the terms of the Schuff SPA without the waiver of any conditions set forth in Article V thereof;

(d) the Senior Debt Financing shall occur concurrently with the Closing in accordance with the Loan Agreement; and

(e) the Company shall have delivered to the Purchasers a certificate dated as of the Closing Date to the effect that each of the conditions specified in Sections 6.1, 6.2 and 6.3 has been satisfied ("**Closing Certificate**").

6.2 Conditions to the Obligation of the PECM Purchasers to Consummate the Closing. The obligations of the PECM Purchasers to consummate the transactions to be consummated at the Closing, and to purchase and pay for the Shares pursuant to this Agreement, are subject to the satisfaction of the following conditions precedent:

(a) the Company shall have filed with the Secretary of State of the State of Delaware the Certificate of Designation;

(b) the Company shall have executed and delivered the Registration Rights Agreement;

(c) the Schuff Acquisition shall occur concurrently with the Closing in accordance with the terms of the Schuff SPA without the waiver of any conditions set forth in Article V thereof;

(d) the Senior Debt Financing shall occur concurrently with the Closing in accordance with the Loan Agreement; and

(e) the Company shall have delivered to the Purchasers the Closing Certificate.

6.3 Conditions to the Obligation of the DG Purchasers to Consummate the Closing. The obligations of the DG Purchasers to consummate the transactions to be consummated at the Closing, and to purchase and pay for the Preferred Shares pursuant to this Agreement, are subject to the satisfaction of the following conditions precedent:

(a) the Company shall have filed with the Secretary of State of the State of Delaware the Certificate of Designation;

(b) the Company shall have executed and delivered the Registration Rights Agreement;

(c) the Schuff Acquisition shall occur concurrently with the Closing in accordance with the terms of the Schuff SPA without the waiver of any conditions set forth in Article V thereof;

(d) the Senior Debt Financing shall occur concurrently with the Closing in accordance with the Loan Agreement; and

(e) the Company shall have delivered to the Purchasers the Closing Certificate.

6.4 Conditions to the Obligation of the Company to Consummate the Closing. The obligation of the Company to consummate the transactions to be consummated at the Closing, and to issue and sell to the Purchasers the Shares pursuant to this Agreement, is subject to the satisfaction of the following conditions precedent:

(a) each Purchaser shall have executed and delivered each Transaction Agreement to which such Purchaser is a party; and

(b) the Certificate of Designation shall have been duly filed and accepted by the Secretary of State of the State of Delaware.

7. Governance; Director Matters; Additional Covenants.

7.1 Preferred Elected Directors.

(a) From time to time and at any time that the Purchasers are not entitled to elect Preferred Elected Director in accordance with Section 7 of the Certificate of Designation but the Preferred Elected Director Condition continues to be satisfied, the Purchasers shall be entitled to nominate a number of directors to the Board equal to the Preferred Director Number (the "**Preferred Elected Director(s)**"). Subject to applicable law, one Preferred Elected Director (as designated by the Requisite Holders holding a majority of the Conversion Shares, if there is more than one Preferred Elected Director) shall be entitled to be a member of each committee of the Board, including the compensation committee, the audit committee and the nominating and corporate governance committee of the Board; provided, that notwithstanding anything to the contrary herein; membergship on any such committee will be dependent upon such director meeting the qualification, and if applicable, independence criteria deemed necessary to so comply in accordance with any listing requirements of the Exchange on which the Company's capital stock is then listed. The Company agrees that it shall use its commercially reasonable efforts to cause, subject to the terms and provisions of Section 7 of the Certificate of Designation as in effect as of the date hereof, any Preferred Elected Director to be elected to the Board as soon as reasonably practicable after the Requisite Holders notify the Company of its nominee or nominees. So long as the Preferred Elected Director Condition is satisfied, the Company shall use its commercially reasonable efforts to nominate for re-election such Preferred Elected Director at any annual or special meeting at which directors of the Company are re-elected (unless the Requisite Holders of a majority of the Conversion Shares advise the Company that they wish to nominate a different candidate as a Preferred Elected Director, in which case the Company shall use its commercially reasonable efforts to nominate such new Preferred Elected Director nominee for election to the Board in accordance with the foregoing procedures); and in each case take all such actions as may be reasonably necessary or appropriate in connection therewith. Notwithstanding the foregoing, if at any time at which the holders of Conversion Shares are entitled to nominate a Preferred Elected Director there is a vacancy in the office of a Preferred Elected Director then, subject to applicable Law, the Company shall, upon request of the Requisite Holders, use commercially reasonable efforts to cause a successor Preferred Elected Director to be appointed to the Board as soon as reasonably practicable.

(b) If at any time when any Preferred Elected Director is required to resign as a member or observer of the Board pursuant to the terms of the Certificate of Designation, if so requested by the Company, the Purchasers shall promptly cause to resign, and take all other action reasonably necessary, or reasonably requested by the Company, to cause the prompt removal of, such Preferred Elected Director.

7.2 Board Observer Rights.

(a) Subject to the limitations set forth in this Section 7.2, effective immediately following the Closing and for so long as a Participating Purchaser owns at least 35% of the Preferred Shares in the aggregate issued to such Participating Purchaser and its Affiliates at the Closing (or the Common Stock issued upon conversion thereof), such Participating Purchaser (along with its Affiliates) shall have the right to appoint one non-voting observer to the Board, any committee of the Board and to the board of directors (or equivalent governing body) of any Wholly Owned Subsidiary and to any committees thereof (the "**Purchaser Board Observer**"). For the avoidance of doubt, no Purchaser Board Observer (x) will have any rights to vote or (y) be counted for quorum purposes, in each case, with respect to any meeting of a board of directors or equivalent managing body (including any committees thereof). Additionally, the Company will use commercially reasonable efforts to request that such Participating Purchaser be permitted to appoint a Purchaser Board Observer to the board of directors or equivalent managing body (including any committees thereof) of any Subsidiary of the Company that is not a Wholly Owned Subsidiary.

(b) The Purchaser Board Observer shall be entitled to observe all meetings of the board of directors (or equivalent governing body) and board committees of the Company (or the relevant Subsidiary of the Company) in person and shall receive reasonable prior written notice of all meetings of the board of directors (or equivalent governing body) and committees thereof in the same manner as notice is provided to members of such board of directors (or equivalent managing body) or committees thereof. The Purchaser Board Observer shall be provided with all of the information that is provided to the Board or the board of directors (or equivalent managing body) of the Company's Subsidiaries, or to any committees of the Board or the board of directors (or equivalent managing body) of any of the Company's Subsidiaries, or any member of any of the foregoing in their capacity as a director or committee member, as the case may be, at the same time and in the same manner as such information is provided to such board of directors (or equivalent managing body) or committee or any member thereof in their capacity as such and the Purchaser Board Observer shall be provided with any written information prepared by the management of the Company or the applicable Subsidiary and distributed to the members of independent committees thereof and any written information provided by or on behalf of such independent committees to the Board or the board of directors of the applicable Subsidiary or any member of either of the foregoing in their capacity as such (in each case, at the same time and in the same manner as such written information is distributed to the members of such independent committees or any such member), provided that such Purchaser shall cause the Purchaser Board Observer to keep all such information confidential (such confidentiality obligations to be on customary terms and conditions and no more restrictive than the confidentiality obligations imposed on directors). The Company and its Subsidiaries shall not establish or employ committees with the purpose or effect of circumventing the rights of the Purchaser Board Observer established in this Section 7. Notwithstanding the foregoing, the Purchaser Board Observer may be prohibited from attending a meeting of a board of directors (or equivalent governing body) or any committees thereof of the Company or its Subsidiaries or receiving information to preserve any attorney-client privilege or other privilege or to prevent any breach of contract with any third party regarding non-disclosure, provided that the Company (or relevant Subsidiary) is advised by nationally recognized outside legal counsel that taking such action is necessary to preserve any such privilege or avoid breaching such Specified Non-Disclosure agreement.

(c) The Company will use commercially reasonable efforts to not enter into and, to the extent within its control, cause its Subsidiaries not to enter into, any non-disclosure or confidentiality agreement or similar undertaking in respect of any Covered Transaction (as such term is defined in the Certificate of Designation) that prohibits disclosure to any Purchaser Board Observer that the Participating Purchasers are entitled to appoint under this Section 7 on substantially the same terms, and subject to substantially the same obligations of confidentiality, as disclosure is permitted to the directors of the Company (or any relevant Subsidiary) under such agreement or undertaking.

(d) Notwithstanding anything to the contrary in this Agreement, and for the avoidance of doubt, it is understood and agreed between the parties, that (i) the PECM Purchasers shall not be entitled to more than one Purchaser Board Observer at any time following the date hereof, and (ii) the Hudson Bay Purchaser shall not be entitled to more than one Purchaser Board Observer at any time following the date hereof.

7.3 D&O Insurance; Indemnification Agreements.

(a) During the period that a Preferred Elected Director is a director of the Board, such director shall be entitled to benefits under any director and officer insurance policy maintained by the Company to the same extent as any other director of the Board.

(b) The Company agrees that in respect of each Preferred Elected Director that is a director, the Company shall duly authorize and enter into an indemnification agreement substantially in the form attached hereto as Exhibit C (an "**Indemnification Agreement**") with such Preferred Elected Director.

7.4 Material Non-Public Information. At any time when (x) a Purchaser (together with its Affiliates) is not exercising its rights to a Purchaser Board Observer and (y) no Preferred Elected Director is serving on the Board, if the applicable Purchaser has notified the Company in writing that it does not want to receive any material nonpublic information regarding the Company and its Subsidiaries, the Company shall thereafter not disclose material nonpublic information to such Purchaser, or to advisors to or representatives of such Purchaser (in their capacity as such) until such time as such Purchaser may again request in writing to receive such information.

7.5 Information Rights. For so long as a Participating Purchaser and its Affiliates collectively own at least seven and a half percent (7.5%) of the issued and outstanding shares of Common Stock (assuming conversion of any Preferred Shares they own), whether or not the Company is required to file any forms,

reports or documents with the SEC, the Company shall deliver to each such Participating Purchaser all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Form 10-Q or Form 10-K, as applicable, if the Company were required to file such Form with the SEC and, with respect to the annual information only, a report thereon by the Company's independent registered accountants. Notwithstanding the foregoing, the Company's obligation under this Section 7.5 to deliver the foregoing information shall be deemed to have been satisfied upon the filing of the abovementioned forms, reports and documents with the SEC in accordance with applicable Laws.

7.6 Compensation Committee of the Board Approval. For so long as the Preferred Elected Director Condition continues to be satisfied, the Company shall not enter into, adopt, approve, establish or amend any compensation or benefit plan, arrangement or agreement with respect to directors, officers and Key Employees of the Company (including any equity incentive, phantom equity or similar plan, arrangement or agreement) without first obtaining approval from the Compensation Committee (as that term is defined in the Certificate of Designation). For the purpose of this Section 7.6, "Key Employees" means employees of the Company whose total annual cash or other compensation (including the grant date value of any equity awards) exceeds $1,000,000.

8. Transfer Restrictions. Each Purchaser understands and agrees that the Shares and any Conversion Shares may be offered, resold, pledged or otherwise transferred only (a) in a transaction not involving a public offering, (b) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (c) pursuant to an effective registration statement under the Securities Act, (d) to the Company or one of its Subsidiaries, (e) to any Affiliate of such Purchaser (provided such Person is an institutional investor) or (f) to any other holder of shares of Convertible Preferred Stock and to any Affiliates thereof (provided such Person is an institutional investor); in each of cases (a) through (e) in accordance with any applicable state and federal securities laws; provided that as a condition precedent to a transfer of any Shares or Conversion Shares to an Affiliate of a Purchaser pursuant to clause (e), any such Affiliate shall assume, on a several and not joint basis, all then continuing obligations of such Purchaser hereunder pursuant to a written agreement reasonably acceptable to the Company. Any purported transfer of Shares or Conversion Shares other than in compliance with the terms hereof shall be void ab initio.

9. Legends; Securities Act Compliance.

9.1 Legend. Each certificate representing the Shares and each certificate representing Conversion Shares will bear a legend conspicuously thereon to the following effect:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS THE SAME ARE REGISTERED AND QUALIFIED IN ACCORDANCE WITH THE SAID ACT AND ANY OTHER APPLICABLE STATE SECURITIES LAWS OR SUCH OFFER, SALE, TRANSFER OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION UNDER SUCH ACT AND ANY OTHER APPLICABLE STATE SECURITIES LAWS."

9.2 Termination of 1933 Act Legend. The requirement imposed by Section 9.2 hereof shall cease and terminate as to any particular Shares (a) when, in the opinion of counsel reasonably acceptable to the Company, such legend is no longer required in order to assure compliance by the Company with the Securities Act or (b) when such Shares have been effectively registered under the Securities Act or transferred pursuant to Rule 144. Wherever (x) such requirement shall cease and terminate as to any Shares or (y) such Shares shall be transferable under paragraph (b)(1) of Rule 144, the holder thereof shall be entitled to receive from the Company, without expense, new certificates not bearing the legend set forth in Section 9.2 hereof.

10. Indemnification; Survival.

10.1 Company Indemnification. The Company shall defend, indemnify, exonerate and hold free and harmless each Purchaser and its Affiliates and their respective directors, officers and employees (each, a "**Purchaser Indemnified Party**" and, collectively, the "**Purchaser Indemnified Parties**") from and against any and all Losses actually incurred by such Indemnified Parties that arise out of, or result from: (i) any inaccuracy in or breach of the Company's representations or warranties in this Agreement or the Closing Certificates or (ii) the Company's breach of its agreements or covenants in this Agreement.

10.2 Survival of Representations and Warranties; Covenants. The representations and warranties contained herein shall survive until the earlier of (i) 5:00 p.m. EDT on the twenty four (24) month anniversary of the Closing or (ii) the date that the Public Float Hurdle (as such term is defined in the Certificate of Designation) is met but in any event for a minimum of fifteen (15) months following the Closing, other than the representations and warranties set forth in Sections 3.1, 3.2, 3.3, and 3.4, which shall survive indefinitely. For the avoidance of doubt, all other covenants, agreements and obligations contained in this Agreement shall survive indefinitely (unless a different period is specifically provided for pursuant to the provisions of this Agreement expressly relating thereto).

10.3 Purchaser Indemnification. Each Purchaser, severally and not jointly, shall defend, indemnify, exonerate and hold free and harmless the Company and its Affiliates and their respective directors, officers and employees (each a "**Company Indemnified Party**" and collectively, the "**Company Indemnified Parties**") from and against any and all Losses actually incurred by such Company Indemnified Parties that arise out of, or result from: (i) any inaccuracy in or breach of such Purchaser's representations or warranties in this Agreement (which breach and any resulting Losses shall be determined for purposes of this Section 10.3 without giving effect to any qualification as to "materiality", "Material Adverse Affect" or words of like meaning set forth therein) or (ii) such Purchaser's breach of its agreements or covenants in this Agreement.

10.4 Limitations. Notwithstanding anything in this Agreement to the contrary, (i) no indemnification claims for Losses shall be asserted by the Purchaser Indemnified Parties under Section 10.1 (other than indemnification claims for Losses with respect to the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.4, 3.15 and 3.18, (the foregoing referred to as the "**Company Fundamental Representations**") or based on Fraud) or by the Company Indemnified Parties under Section 10.3 (other than indemnification claims for Losses with respect to the representation and warranties set forth in Section 4.1, 4.2, 4.5, and 4.7 or based on Fraud), unless and until (x) the aggregate amount of Losses that would otherwise be payable under Section 10.1 or Section 10.3, as applicable, exceeds $500,000 (the "**Basket Amount**"), whereupon the Purchaser Indemnified Party or Company Indemnified Party, as applicable, shall be entitled to receive only amounts for Losses in excess of the Basket Amount or (y) Losses have been asserted against such Person in accordance with this Section 10.4, and (ii) the aggregate liability of the Company or any Purchaser for Losses under Section 10.1 or Section 10.3, as applicable, shall in no event exceed the applicable Share Purchase Price.

10.5 Procedures. A party entitled to indemnification hereunder (each, an "**Indemnified Party**") shall give written notice to the party from whom indemnification is sought (the "**Indemnifying Party**") of any claim with respect to which it seeks indemnification promptly after the discovery by such Indemnified Party of any matters giving rise to a claim for indemnification hereunder; provided, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 10 unless and to the extent that the Indemnifying Party shall have been materially prejudiced by the failure of such Indemnified Party to so notify such party. Such notice shall describe in reasonable detail such claim. In case any such action, suit, claim or proceeding is brought against an Indemnified Party, the Indemnifying Party shall be entitled to assume and conduct the defense thereof, with counsel reasonably satisfactory to the Indemnified Party unless (i) such claim seeks remedies, in addition to or other than, monetary damages that are reasonably likely to be awarded, (ii) such claim involves a criminal proceeding or (iii) counsel to the Indemnified Party advises such Indemnifying Party in writing that such claim involves a conflict of interest that would reasonably be expected to make it inappropriate for the same counsel to represent both the Indemnifying Party and the Indemnified Party. If any one of the foregoing clauses (i) through (iii) applies, the Indemnified Party shall be entitled to retain its own counsel at the cost and expense of the Indemnifying Party (except that the Indemnifying Party shall only be liable for the legal fees and expenses of one law firm for all Indemnified Parties, taken together with respect to any single action or group of related actions, other than local counsel). If the Indemnifying Party assumes the defense of any claim, the Indemnified Party shall nevertheless be entitled to hire, at its own expense, separate counsel and participate in the defense thereof; provided, that all Indemnified Parties shall thereafter deliver to the Indemnifying Party copies of all notices and documents (including court papers) received by the Indemnified Party relating to the claim, and each Indemnified Party shall reasonably cooperate in the defense or prosecution of

such claim. Such reasonable cooperation shall include the retention and (upon the Indemnifying Party's reasonable request) the provision to the Indemnifying Party of records and information that are reasonably relevant to such claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Indemnifying Party shall not be liable for any settlement of any action, suit, claim or proceeding effected without its prior written consent (not to be unreasonably withheld, conditioned or delayed). The Indemnifying Party further agrees that it will not, without the Indemnified Party's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), settle or compromise any claim or consent to entry of any judgment in respect thereof in any pending or threatened action, suit, claim or proceeding in respect of which indemnification has been sought or may be hereunder unless such settlement or compromise includes an unconditional release of such Indemnified Party from all liability arising out of such action, suit, claim or proceeding and is solely for monetary damages.

10.6 Additional Limitations. Notwithstanding anything contained herein to the contrary, "Losses" shall not include (i) any Losses to the extent such Losses could not have been reasonably foreseen by the parties as of the Closing, and (ii) punitive damages, except to the extent payable by an Indemnified Party to a third party. No party hereto shall be obligated to indemnify any other Person with respect to any representation, warranty, covenant or condition specifically waived in writing by any other party on or prior to the applicable Closing.

10.7 Exclusive Remedies. Notwithstanding anything to the contrary herein, other than in the case of Fraud, the provisions of Section 10 and Section 12.6 shall be the sole and exclusive remedies of parties under this Agreement following the Closing for any and all breaches or alleged breaches of any representations or warranties, covenants or agreements of the parties contained in this Agreement. For the avoidance of doubt, this Section 10 shall not prevent the parties from obtaining specific performance or other non-monetary remedies in equity or at Law pursuant to Section 12.6 of this Agreement and shall not limit other remedies that may be available to the parties under any of the Transaction Agreements (other than this Agreement).

11. Termination.

11.1 Conditions of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time before the Closing by either the Company, on the one hand, or any Purchaser, on the other hand, if the Closing shall not have occurred on or prior to 5:00 p.m., New York time, on the date hereof.

11.2 Effect of Termination. In the event of any termination pursuant to Section 11.1 hereof, this Agreement shall become null and void and have no further effect, with no liability on the part of the Company or any Purchaser, or their directors, partners, members, employees, affiliates, officers, stockholders or agents or other representatives, with respect to this Agreement, except for the terms of this Section 11.2 and Section 12 (Miscellaneous Provisions), which shall survive the termination of this Agreement.

12. Miscellaneous Provisions.

12.1 Public Statements or Releases. Neither the Company nor any Purchaser shall make any public release or announcement with respect to the existence or terms of this Agreement or the transactions provided for herein without the prior approval of the other parties, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, nothing in this Section 12.1 shall prevent any party from making any public release required (in the exercise of its reasonable judgment) in order to satisfy its obligations under law or under the rules or regulations of any United States national securities exchange, in which case the party or parties, as applicable, required to make the release or announcement shall, to the extent reasonably practicable, allow the other party or parties, as applicable, reasonable time to comment on such release or announcement in advance of such issuance.

12.2 Interpretation. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and subsection references are to this Agreement unless otherwise specified. The headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, will be deemed to refer to the date set forth in the first paragraph of this Agreement. The meanings given to terms defined herein will be equally applicable to both the singular and plural forms of such terms. All matters to be agreed to by any party hereto must be agreed to in writing by such party unless otherwise indicated herein. Except as specified otherwise herein, references to agreements, policies, standards, guidelines or instruments, or to statutes or regulations, are to such agreements, policies, standards, guidelines or instruments, or statutes or regulations, as amended or supplemented from time to time (or to successors thereto). All references herein to the Subsidiaries of a Person shall be deemed to include all direct and indirect Subsidiaries of such Person, unless otherwise indicated or the context otherwise requires. The parties hereto agree that they have been represented by counsel during the negotiation and execution of the Transaction Agreements and, therefore, waive the application of any Law, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

12.3 Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed delivered (a) three (3) Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid (b) one (1) Business Day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, (c) on the date of delivery if delivered personally, or (d) if by facsimile, upon written confirmation of receipt by facsimile, in each case to the intended recipient as set forth below:

(a) if to the Company, addressed as follows:

HC2 Holdings, Inc.
460 Herndon Parkway,
Suite 150,
Herndon, VA 20170
Attention: Andrea L. Mancuso
Facsimile: (703) 650-4295

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attention: Jeffrey D. Marell
Facsimile: (212) 757-3990

(b) if to the DG Purchaser, to it at:

DG Capital Management, LLC
460 Park Avenue, 13th Floor
New York, NY 10022
Attention: Dov Gertzulin

Facsimile: (212) 202-4639

with copies (which shall not constitute notice) to:

Brown Rudnick LLP
One Financial Center
Boston, MA 02111
Attention: Andreas Andromalos
Facsimile: (617) 289-0495

(c) if to the Hudson Bay Purchaser, to:

777 Third Avenue, 30th Floor
New York, NY 10017
Attention: Marc Sole
Facsimile: 212-571-1244

with copies (which shall not constitute notice) to:

Ropes & Gray, LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Christopher W. Rile
Facsimile: 212-596-9090

(d) if to any PECM Purchaser, to it at:

c/o Providence Equity Capital Markets, LLC
9 West 57th Street, Suite 4700
New York, NY 10019
Attention: Michael E. Paasche
Facsimile: 212-588-6701

with copies (which shall not constitute notice) to:

Ropes & Gray, LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Christopher W. Rile
Facsimile: 212-596-9090

Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section 12.3.

12.4 Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

12.5 Governing Law; Jurisdiction; WAIVER OF JURY TRIAL.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

(b) Each of the parties hereto irrevocably (i) agrees that any legal suit, action or proceeding brought by any party hereto against arising out of or based upon this Agreement may be instituted in any United States federal court or New York State court located in the Borough of Manhattan in The City of New York (a "**New York Court**"), (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding and (iii) submits to the non-exclusive jurisdiction of a New York Court in any such suit, action or proceeding.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PURCHASER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

12.6 Specific Performance. The parties hereto agree that the obligations imposed on them in this Agreement are special, unique and of an extraordinary character, and that irreparable damages for which money damages, even if available, would not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement in accordance with its specified terms or otherwise breach such provisions. The parties acknowledge and agree that the parties shall be entitled to seek an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled, at law or in equity; and the parties hereto further agree to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such injunctive or other equitable relief. Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that (x) either party has an adequate remedy at law or (y) an award of specific performance is not an appropriate remedy for any reason at law or equity.

12.7 Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to a party upon any breach or default of another party under this Agreement shall impair any such right, power, or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement. Any agreement on the part of a party or parties hereto to any waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party or parties, as applicable. Any delay in exercising any right under this Agreement shall not constitute a waiver of such right.

12.8 Fees; Expenses.

(a) Except as set forth in this Section 12.8, all fees and expenses incurred in connection with the Transaction Agreements and the transactions contemplated hereby and thereby shall be paid by the party or parties, as applicable, incurring such expenses whether or not the transactions contemplated hereby and thereby are consummated.

(b) The Company shall reimburse the Purchasers listed on Schedule 12.8(b) for all reasonable out-of-pocket costs and expenses of the Purchasers and their advisors incurred in connection with their due diligence of the Company and its Subsidiaries, negotiation and preparation of the Transaction Agreements and participating in the transaction contemplated by the Transaction Agreements up to an amount as set forth in Schedule 12.8(b). An estimate of the fees and expenses of such advisors may be paid by wire transfer to such advisor at the Closing by the Purchasers, the amount of such check or wire transfer being deducted from the aggregate amount to be paid by such Purchasers at the Closing for the Shares. In addition, the Company shall pay all reasonable out of pocket costs and expenses of the Purchasers incurred with respect to any subsequent amendments, approvals or modifications associated with the transactions contemplated by the Transaction Agreements.

(c) The Company shall pay any and all documentary, stamp or similar issue or transfer Tax payable in connection with this Agreement, the issuance of the Shares at Closing and the issuance of the Conversion Shares.

(d) The Company shall reimburse each Preferred Elected Director for their reasonable out of pocket expenses incurred for the purpose of attending meetings of any boards of directors (or equivalent governing bodies) or board committees of the Company and its Subsidiaries, in accordance with the Company's and its Subsidiaries' reimbursement policies in effect from time to time.

12.9 Assignment. Except as otherwise provided herein, none of the parties may assign its rights or obligations under this Agreement without the prior written consent of the other parties, provided, however, that each Purchaser may assign its right and obligations hereunder to an Affiliate of such Purchaser without the prior written consent of the Company or any other Purchaser or in connection with a transfer of Shares or Conversion Shares in accordance with Section 8 hereof with the prior written consent of the Company (which consent shall not be unreasonably withheld, delayed or conditioned); provided, further, that as a condition precedent to such assignment (x) any such Affiliate shall assume, on a several and not joint basis, all then continuing obligations of such Purchaser hereunder pursuant to a written agreement reasonably acceptable to the Company, and (y) no assignment and assumption shall relieve such Purchaser from any liability hereunder; provided, further, that any assignment to an Affiliate shall only be effective for so long as such Person remains an Affiliate of the applicable Purchaser and the rights assigned to such Person shall cease to be of further force and effect when such Person ceases to be an Affiliate of the applicable Purchaser. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and permitted assigns. Any purported assignment other than in compliance with the terms hereof shall be void ab initio.

12.10 No Third Party Beneficiaries. Except for Section 7.2 (with respect to which any Purchaser Representative that is a director shall be a third party beneficiary), Sections 10 (with respect to which all Indemnified Parties shall be third party beneficiaries), 12.8(d) (with respect to which all Purchaser Representatives named therein shall be third party beneficiaries), 12.12 (with respect to Benefits Street Partners L.L.C and Hudson Bay Absolute Return Credit Opportunities Master Fund, Ltd.) 12.13 (with respect to which all Purchaser Representatives and Nominated Directors named therein shall be third party beneficiaries), 12.14(b) (with respect to which Schuff and any of its Subsidiaries shall be third party beneficiaries), this Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto nor create or establish any third party beneficiary hereto. Without limiting the foregoing, the representations and warranties in this Agreement are the product of negotiations among the parties hereto and are for the sole benefit of the parties hereto. In some instances, the representations and warranties in this Agreement may represent an allocation among the parties hereto of risks associated with particular matters regardless of the knowledge of any of the parties hereto. Consequently, Persons other than the parties hereto may not rely upon the representations and warranties in this Agreement as characterizations of actual facts or circumstances as of the date of this Agreement or as of any other date.

12.11 Counterparts. This Agreement may be executed and delivered (including by facsimile or electronic transmission) in any number of counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed an original, but all of which taken together shall constitute a single instrument.

12.12 Entire Agreement; Amendments; Actions. This Agreement and the documents and instruments and other agreements among the parties hereto as contemplated by or referred to herein, including the Disclosure Schedule and the Annexes and Exhibits hereto, constitute the entire agreement between the parties hereto respecting the subject matter hereof and supersede all prior agreements, negotiations, understandings, representations and statements respecting the subject matter hereof, whether written or oral, including Section 8 of the Confidentiality Agreement between the Company and each of Benefits Street Partners L.L.C and Hudson Bay Absolute Return Credit Opportunities Master Fund, Ltd.. No modification, alteration, waiver or change in any of the terms of this Agreement shall be valid or binding upon the parties hereto unless made in writing and duly executed by the Company, on the one hand, and subject to the last sentence of this Section 12.12, the Purchasers on the other hand. Notwithstanding anything to the contrary contained herein, any consent, waiver, vote, decision, election or action required or permitted to be taken hereunder by the Purchasers as a group, including with respect to the immediately foregoing clause, shall require the approval of the Requisite Holders, and after such approval, such decision shall be binding on all Purchasers.

12.13 Freedom to Pursue Opportunities. Each of the parties hereto expressly acknowledges and agrees that: (i) the each Purchaser and each Purchaser Representative has the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly engage in the same or similar business activities or lines of business as the Company or any of its Subsidiaries, including those deemed to be competing with the Company or any of its Subsidiaries; and (ii) in the event that the Purchaser or any Purchaser Representative acquires knowledge of a potential transaction or matter (other than to the extent knowledge of such transaction or matter was acquired by such Person solely in their capacity as a director) that may be a corporate opportunity for each of the Company and the Purchaser or any Purchaser Representative, such Person shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company or any of its Subsidiaries, as the case may be, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company or its Affiliates for breach of any duty (contractual or otherwise) by reason of the fact that the Purchaser, Purchaser Representative, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present such opportunity to the Company.

12.14 No Personal Liability of Directors, Officers, Owners, Etc.

(a) No director, officer, employee, incorporator, shareholder, managing member, member, general partner, limited partner, principal or other agent of any of the Purchasers or the Company shall have any liability for any obligations of the Purchasers or the Company, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the respective obligations of the Purchasers or the Company, as applicable, under this Agreement. Each party hereby waives and releases all such liability. This waiver and release is a material inducement to each party's entry into this Agreement.

(b) No director, officer, employee, incorporator, shareholder, managing member, member, general partner, limited partner, principal or other agent of any of Schuff and its Subsidiaries shall have any liability for any obligations of the Purchasers or the Company, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the respective obligations of the Purchasers or the Company, as applicable, under this Agreement. The Purchaser hereby waives and releases any and all liability against Schuff and its Subsidiaries. This waiver and release is a material inducement to the Company's entry into this Agreement.

12.15 Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under this Agreement or any Transaction Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement or any other Transaction Agreement. Nothing contained herein or in any other Transaction Agreement, and no action taken by any

Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement or any other Transaction Agreement. Each Purchaser confirms that it has independently participated in the negotiation of the transactions contemplated hereby and has been represented by counsel. All rights, powers and remedies provided to the Purchasers under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative or exclusive, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other rights, powers or remedies by such party or any other party.

12.16 **Base Original Issue Date NAV Calculation.** Each of the Company, the Hudson Bay Purchasers and the PECM Purchasers agrees to use its commercially reasonable and good faith efforts to agree on the Net Asset Value as of the date hereof after giving effect to the transactions occurring on the date hereof (including the issuance and sale of the Shares, the Schuff Acquisition and the initial borrowings under the Loan Agreement), which amount shall be the "Base Original Issue Date NAV" for purposes of the Certificate of Designations, such agreement to occur within sixty (60) days following the date hereof and be made in accordance with the Net Asset Value, Fair Market Value and other related definitions in the Certificate of Designations: provided, that, notwithstanding anything to the contrary contained in the Certificate of Designations' definition of Fair Market Value, for purposes of determining the Base Original Issue Date NAV. (A) if the Required Holders and the Company otherwise agree, none of the parties shall be obligated to engage an investment banking, appraisal, accounting or valuation firm to determine the Fair Market Value of any Securities issued by Subsidiaries of the Company and (B) no value shall be attributed to the following existing escrow amount of: BID $19,500,000, NAT tax liability $4,800,000, NAT PTI Sale $3,000,000 and NAT indemnification $6,450,000.

[*Remainder of the Page Intentionally Left Blank*]

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

COMPANY:

HC2 HOLDINGS, INC.

By: /s/ Keith M Hladek
Name: Keith M. Hladek
Title: Chief Operating Officer

[Signature Page to Securities Purchase Agreement]

HUDSON BAY PURCHASERS

HUDSON BAY ABSOLUTE RETURN CREDIT OPPORTUNITIES MASTER FUND, LTD.

By: /s/ Marc Sole
Name: Marc Sole
Title: Authorized Signatory

[Signature Page to Securities Purchase Agreement]

PECM PURCHASERS

PROVIDENCE DEBT FUND III L.P.

By: /s/ Bryan Martoken
Name: Bryan Martoken
Title: CFO -Capital Markets Group

[Signature Page to Securities Purchase Agreement]

PROVIDENCE DEBT FUND III MASTER (NON-US) L.P.

By: /s/ Bryan Martoken
Name: Bryan Martoken
Title: CFO -Capital Markets Group

[Signature Page to Securities Purchase Agreement]

PECM STRATEGIC FUNDING L.P.

By: PECM Strategic Funding GP L.P, its
general partner

By: PECM Strategic Funding GP Ltd., its
general partner

By: /s/ Bryan Martoken
Name: Bryan Martoken
Title: CFO -Capital Markets Group

[Signature Page to Securities Purchase Agreement]

BENEFIT STREET PARTNERS SMA LM L.P.

By: /s/ Bryan Martoken
Name: Bryan Martoken
Title: CFO -Capital Markets Group

[Signature Page to Securities Purchase Agreement]

DG VALUE PARTNERS, LP

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

[Signature Page to Securities Purchase Agreement]

DG VALUE PARTNERS II MASTER FUND, LP

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

[Signature Page to Securities Purchase Agreement]

SPECIAL SITUATIONS, LLC

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

[Signature Page to Securities Purchase Agreement]

SPECIAL SITUATIONS X, LLC
By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

[Signature Page to Securities Purchase Agreement]

DG CREDIT OPPORTUNITIES, LP

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

[Signature Page to Securities Purchase Agreement]

Common Stock Shares and Purchasers

Purchaser	Shares	Type	Share Purchase Price	Pro Rata Percentage
Hudson Bay Purchaser				
Hudson Bay Absolute Return Credit Opportunities Master Fund Ltd.	750,000	Common Stock	3,000,000	
PECM Purchasers				
Providence Debt Fund III L.P.	336,690	Common Stock	1,346,760	
Providence Debt Fund III Master (Non-US) L.P.	179,310	Common Stock	717.240	
PECM Strategic Funding L.P.	176,250	Common Stock	705,000	
Benefit Street Partners SMA LM L.P.	57,750	Common Stock	231,000	
TOTAL:	1,500,000		$6,000,000	

Convertible Preferred Stock Shares and Purchasers

Purchaser	Shares	Type	Share Purchase Price	Pro Rata Percentage
Hudson Bay Purchaser				
Hudson Bay Absolute Return Credit Opportunities Master Fund, Ltd.	12,500	Convertible Preferred Stock	12,500,000	
PECM Purchasers				
Providence Debt Fund III L.P.	5,611.5	Convertible Preferred Stock	5,611,500	
Providence Debt Fund III Master (Non-US) L.P.	2,988.5	Convertible Preferred Stock	2,988,500	
PECM Strategic Funding L.P.	2,937.5	Convertible Preferred Stock	2,937,500	
Benefit Street Partners SMA LM L.P.	962.5	Convertible Preferred Stock	962,500	
DG Purchasers				
DG Value Partners, LP	628	Convertible Preferred Stock	628,000	
DG Value Partners II Master Fund, LP	2,071	Convertible Preferred Stock	2,071,000	
Special Situations, LLC	1,021	Convertible Preferred Stock	1,021,000	
Special Situations X, LLC	1,066	Convertible Preferred Stock	1,066,000	
DG Credit Opportunities, LP	214	Convertible Preferred Stock	214,000	
TOTAL:	30,000		$30,000,000	

Company Wire Instructions:
Bank Name: ***Silicon Valley Bank***
Address: ***3003 Tasman Drive, Santa Clara, CA 95054***
Bank ABA Routing No.: ***121 140 399***
Account Name: ***HC2 Holdings 2, Inc.***
Account No.: ***3301147117***
Special Instructions: ***Rec'd on behalf of HC2 Holdings, Inc.***

Exhibit A

Form of Certificate of Designation

Exhibit B

Form of Registration Rights Agreement

Exhibit C

Form of Indemnification Agreement

EXHIBIT 2

REGISTRATION RIGHTS AGREEMENT

by and among

HC2 HOLDINGS INC.

and the INVESTORS party hereto

Dated May 29, 2014

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REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 29th day of May, **20**14, by and **among** HC2 Holdings Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto (each of which is referred to in this Agreement as an "**Investor**").

RECITALS

WHEREAS, the Company and the Investors are parties to the Securities Purchase Agreement dated as of the date hereof (the "**Purchase Agreement**") pursuant to which the Company has issued and sold to the Investors shares of Series A Convertible Participating Preferred Stock, par value $0.001 per share, of the Company (the "**Preferred Stock**") and Common Stock (as defined below). The Preferred Stock is convertible into shares of Common Stock of the Company in accordance with the terms of the certificate of designation of the terms of the Preferred Stock, dated as of the date hereof (the "**Certificate of Designation**").

WHEREAS, the parties hereto desire to provide for, among other things, the grant of registration rights with respect to the the Registrable Securities (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herin and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person.

1.2 "**Automatic Shelf Registration Statement**" means an "automatic shelf registration statement" as defined in Rule 405 promulgated under the Securities Act.

1.3 "**Board of Directors**" means the board of directors of the Company (or any duly authorized committee thereof).

1.4 "**Certificate of Designation**" has the meaning set forth in the Recitals.

1.5 "**Common Stock**" means shares of the Company's common stock, par value $0.001 per share.

1.6 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus, free writing prospectus prepared by a Holder or the Company, as applicable, or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of this Agreement, the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.7 "**Demand Notice**" has the meaning set for in Subsection 2.1.

1.8 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.9 **"Excluded Registration"** means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; or (iii) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

"**FINRA**" means the Financial Industry Regulatory Authority.

1.11 **"Form S-1"** means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.12 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.13 "**Hedging Counterparty**" means a broker-dealer registered under Section 15(b) of the Exchange Act or an Affiliate thereof.

1.14 "**Hedging Transaction**" means any transaction involving a security linked to Registrable Securities or any security that would be deemed to be a "derivative security" (as defined in Rule 16a-1(c) promulgated under the Exchange Act) with respect to Registrable Securities or transaction (even if not a security) which would (were it a security) be considered such a derivative security, or which transfers some or all of the economic risk of ownership of Registrable Securities, including any forward contract, equity swap, put or call, put or call equivalent position, collar, non-recourse loan, sale of exchangeable security or similar transaction. For the avoidance of doubt, the following transactions shall be deemed to be Hedging Transactions:

(a) transactions by a Holder in which a Hedging Counterparty engages in short sales of securities of the same class as Registrable Securities pursuant to a Prospectus and may use Registrable Securities to close out its short position;

(b) transactions pursuant to which a Holder sells short securities of the same class as Registrable Securities pursuant to a Prospectus and delivers Registrable Securities to close out its short position;

(c) transactions by a Holder in which the Holder delivers, in a transaction exempt from registration under the Securities Act, Registrable Securities to the Hedging Counterparty who will then publicly resell or otherwise transfer such Registrable Securities pursuant to a Prospectus or an exemption from registration under the Securities Act; and

(d) a loan or pledge of Registrable Securities to a Hedging Counterparty who may then become a selling stockholder and sell the loaned shares or, in an event of default in the case of a pledge, sell the pledged shares, in each case, in a public transaction pursuant to a Prospectus.

1.15 **"Holdback Period"** has the meaning set forth in Section 2.11**.**

1.16 **"Holdback Extension"** has the meaning set forth in Section 2.11.

1.17 "**Holders**" means any Investor and any other holder of Registrable Securities who is a party to this Agreement.

1.18 "**HRG**" means Harbinger Group Inc., a Delaware corporation.

1.19 "**Hudson Bay Investors**" means those investors listed under the heading "Hudson Bay Investors" on Schedule A.

1.20 "**Hudson Bay Registrable Securities**" means, as of any date, the Registrable Securities held by the Hudson Bay Investors or their successors and assigns on such date.

1.21 **"Immediate Family Member"** means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.22 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.23 "**Majority Hudson Bay Investors**" means, as of any date, the Holders of a majority of the Hudson Bay Registrable Securities on such date.

1.24 "**Majority PECM Investors**" means, as of any date, the Holders of a majority of the PECM Registrable Securities on such date.

1.25 "**Other Requesting Holders**" has the meaning set forth in Subsection 2.4(a).

1.26 **"PECM Investors" means** those investors listed under the heading "PECM Investors" on Schedule A.

1.27 "**PECM Registrable Securities**" means, as of any date, the Registrable Securities held by the PECM Investors or their successors and assigns on such date.

1.28 **"Person"** means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.29 "**Preferred Stock**" has the meaning set forth in the Recitals.

1.30 "**Prospectus**" means the prospectus related to any Registration Statement (whether preliminary or final or any prospectus supplement, including, without limitation, a prospectus or prospectus supplement that discloses information previously omitted from a prospectus filed as part of an effective registration statement in reliance on Rule 415, 424, 430A, 430B or 430C under the Securities Act, as amended or supplemented by any amendment or prospectus supplement), including post-effective amendments, and all materials incorporated by reference in such prospectus.

1.31 "**Purchase Agreement**" has the meaning set forth in the Recitals.

1.32 "**Registrable Securities**" means (i) any shares of Common Stock acquired pursuant to the Purchase Agreement; (ii) any shares of Common Stock otherwise acquired from time to time by a Holder or any permitted transferee hereunder; (iii) any and all shares of Common Stock or other securities issuable or issued upon conversion of the Preferred Stock or issued or issable upon the conversion of any other securities beneficially owned by a Holder; and (iv) shares of Common Stock issued as a dividend or distribution with respect to, or in exchange for or in replacement of, the shares referenced in (i) through (iii) above or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization; provided, that Registrable Securities held by any Holder will cease to be Registrable Securities, when they have been (A) sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction (including pursuant to Rule 144 of the Securities Act), or (B) sold in a transaction in which the transferor's rights under this Agreement are not validly assigned in accordance with this Agreement.

1.33 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.34 "**Registration Statement**" means any registration statement filed pursuant to the Securities Act.

1.35 "**SEC**" means the Securities and Exchange Commission.

1.36 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.37 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.38 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.39 **"Selling Holder Counsel" has the meaning set forth in** Subsection 2.6**.**

1.40 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.41 "**Shelf Registration**" means a registration of securities pursuant to a Registration Statement filed with the Commission in accordance with and pursuant to Rule 415 promulgated under the Securities Act.

1.42 "**Shelf Registration Statement**" has the meaning set forth in Subsection 2.1(b) hereof.

1.43 "**Suspension Period**" has the meaning set forth in Subsection 2.1(d).

1.44 "**Underwriter**" means the underwriter, placement agent or other similar intermediary participating in an Underwriting.

1.45 "**Underwriting**" of securities means a public offering of securities registered under the Securities Act in which an underwriter, placement agent or other similar intermediary participates in the distribution of such securities.

1.46 "**Underwritten Takedown**" means an underwritten offering takedown to be conducted by one or more Holders in accordance with Section 2.3(b).

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand and Shelf Registration.

(a) Form S-1 Demand. If at any time after the fiftieth (50^{th}) day following the date hereof, the Company receives a request from a Holder or Holders of Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to any outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5 million, then the Company shall (x) within two (2) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within thirty (30) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities

that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within five (5) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3. No Holder shall delver a Demand Notice under this Section 2.1(a) at any time when a Shelf Registration Statement covering such Holder's Registrable Securities is effective and available for use in connection with a resale of such Registrable Securities. The Company shall not be required to file a Form S-1 registration statement under this Section 2.1(a) if it is then eligible to use Form S-3 for secondary offerings of Registrable and it advises the Initiating Holders that it is preparing a Shelf Registration Statement in accordance with the first sentence of Section 2.1(b)(i).

(b) Shelf Registration.

(i) Within twenty (20) days after the date on which the Company is eligible to use a Form S-3 registration statement for secondary offerings of Registrable Securities (but in no event prior to the eightieth (80^{th}) day following the date hereof) and for so long as there are Registrable Securities outstanding, the Company shall use its reasonable best efforts to ensure that the Company shall at all times have and maintain an effective Registration Statement for a Shelf Registration covering the resale of all of the Registrable Securities requested to be included by any Holder, on a delayed or continuous basis (the "**Shelf Registration Statement**"). The Company shall give written notice of the filing of any Shelf Registration Statement at least fifteen (15) days prior to filing such Shelf Registration Statement to all Holders of Registrable Securities and shall, upon receipt of a request from any Holder, include in such Shelf Registration Statement all Registrable Securities of each requesting Holder. The Company shall use its reasonable best efforts to maintain the effectiveness of such Shelf Registration Statement in accordance with the terms hereof. The "Plan of Distribution" section of such Shelf Registration Statement shall permit all lawful means of disposition of Registrable Securities, including firm-commitment underwritten public offerings, block trades, agented transactions, sales directly into the market, purchases or sales by brokers, Hedging Transactions, distributions to stockholders, partners or members of such Holders and sales not involving a public offering.

(ii) From and after the date that the Shelf Registration Statement is initially effective, as promptly as is practicable after receipt of a request from a Holder, and in any event within (x) ten (10) days after the date such request is received by the Company or (y) if a request is so received during a Suspension Period, five (5) days after the expiration of such Suspension Period, the Company shall take all necessary action to cause the requesting Holder to be named as a selling securityholder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus in connection with sales of such Registrable Securities to the purchasers thereof in accordance with applicable law, which action may include: (A) if required by applicable law, filing with the Commission a post-effective amendment to the Shelf Registration Statement; (B) preparing and, if required by applicable law, filing a supplement or supplements to the related Prospectus or a supplement or amendment to any document incorporated therein by reference; (C) filing any other required document; or (D) with respect to a post-effective amendment to the Shelf Registration Statement that is not automatically effective, using its reasonable best efforts to cause such post-effective amendment to be declared or to otherwise become effective under the Securities Act as promptly as is practicable; provided that: (A) the Company may delay such filing until the date that is twenty (20) days after any prior such filing; (B) if the Shelf Registration Statement is not an Automatic Shelf Registration Statement and the Company has already made such a filing during the calendar quarter in which such filing would otherwise be required to be made, the Company may delay such filing until the tenth (10th) day of the following calendar quarter; and (C) if such request is delivered during a Suspension Period, the Company shall so inform the Holder delivering such request and shall take the actions set forth above upon expiration of the Suspension Period in accordance with Subsection 2.1(d).

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1(a) a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors, after consultation with counsel, it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) be expected to have a material adverse effect on any proposal or plan of the Company to effect a merger, acquisition, disposition, financing, reorganization, recapitalization or similar transaction; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than forty five (45) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such forty five (45) day period other than an Excluded Registration.

(d) Suspension Periods. Upon written notice to the Holders of Registrable Securities, (x) the Company shall be entitled to suspend, for a period of time, the use of any Registration Statement or Prospectus if the Board of Directors determines in its good faith judgment, after consultation with counsel, that the Registration Statement or any Prospectus may contain an untrue statement of a material fact or omits any fact necessary to make the statements in the Registration Statement or Prospectus not misleading and (y) the Company shall not be required to amend or supplement the Registration Statement, any related Prospectus or any document incorporated therein by reference if the Board of Directors determines in its good faith judgment, after consultation with counsel, that such amendment or supplement would reasonably be expected to have a material adverse effect on any proposal or plan of the Company to effect a merger, acquisition, disposition, financing, reorganization, recapitalization or similar transaction, in each case that is material to the Company (in case of each clause (x) and (y), a "**Suspension Period**"); provided that (A) the duration of all Suspension Periods may not exceed one hundred and twenty (120) days in the aggregate in any 12-month period and (B) the Company shall use its commercially reasonable efforts to amend or supplement the Registration Statement and/or Prospectus to correct such untrue statement or omission as soon as reasonably practicable, but in no event shall any single suspension period exceed forty five (45) days.

(e) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a) during the period ending ninety (90) days after the effective date of, another registration by the Company, including a Company-initiated registration, in each case, in which Holders were entitled to include Registrable Securities in accordance with Section 2.2. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(e) until such time as the applicable registration statement has been declared effective by the SEC; provided, however, if the Initiating Holders withdraw their request for such registration and elect to pay the registration expenses therefor, such withdrawn registration statement shall not be counted as "effected" for purposes of this Subsection 2.1(e).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder written notice of such Registration. In the case of a takedown offering under a Shelf Registration, the Company shall give each Holder notice of such registration not less than five (5) days prior to the expected date of commencement of marketing efforts for such takedown. Upon the request of each Holder given within two (2) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be included all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.1(a), the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an Underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The managing Underwriter(s) will be selected by the Initiating Holders, subject only to the reasonable approval of the Company. In such event, the right of any

Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such Underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such Underwriting shall (together with the Company as provided in Subsection 2.4(n)) enter into an underwriting agreement in customary form with the Underwriter(s) selected for such Underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing Underwriter(s) advise the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that shall be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities proposed by each Holder to be included in the registration or in such other proportion as shall mutually be agreed to in writing by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities to be sold by persons who are not Holders are first entirely excluded from the underwriting.

(b) Shelf Underwritten Takedown.

(i) At any time after the Company has an effective shelf registration one or more Holders of outstanding Registrable Securities may request that the Company effect an underwritten takedown under the Shelf Registration Statement of at least $5 million in Registrable Securities, based on the closing market price on the trading day immediately prior to the initial request of such requesting Holders. Within five (5) days of receipt of such request, the Company shall notify all other Holders whose Registrable Securities are included in such Shelf Registration Statement of such request and shall (except as provided in clause (iii) below) include in such Underwritten Takedown all Registrable Securities requested to be included therein by Holders who respond within five (5) days of the Company's notification described above.

(ii) For any Underwritten Takedown from a Shelf Registration Statement, the managing underwriter or underwriters shall be selected by the Holders participating in such offering holding a majority of the Registrable Securities to be disposed of pursuant to such offering and shall be reasonably acceptable to the Company.

(iii) If the managing underwriter or underwriters for the Underwritten Takedown advise the Company that in their reasonable opinion the number of securities requested to be included in such underwritten offering takedown exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Initiating Holders, the Company shall include in such Underwritten Takedown the number which can be so sold in the following order of priority: (A) first, the securities requested to be included by the Holders (pro rata among the Holders of such securities on the basis of the number of securities requested to be included therein by each such holder), (B) second, the securities requested to be included in such Underwritten Takedown by holders exercising piggyback registration rights (pro rata among the holders of such securities on the basis of the number of securities requested to be included therein by each such holder), (C) third, the securities the Company proposes to sell, and (D) fourth, other securities requested to be included in such Underwritten Takedown (pro rata among the holders of such securities on the basis of the number of securities requested to be included therein by each such holder).

(iv) The Company shall not be required to effect an Underwritten Takedown more than once in any six (6) month period.

(c) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) to the number of Registrable Securities proposed by each Holder to be included in the registration or in such other proportions as shall mutually be agreed to in writing by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering. For purposes of the provision in this Subsection 2.3(c) and Sections 2.3(a) and 2.3(b)(iii) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(d) For purposes of Subsection 2.1 and 2.3(b), a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than seventy-five percent (75%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended in accordance with Section 2.1(b) until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) provide counsel to the Holders a reasonable opportunity to review and comment upon any Registration Statement and any Prospectus supplements;

(e) if requested by any participating Holder, promptly include in a Prospectus supplement or amendment such information as the Holder may reasonably request, including in order to permit the intended method of distribution of such securities, and make all required filings of such Prospectus supplement or such amendment as soon as reasonably practicable after the Company has received such request;

(f) use its commercially reasonable efforts to register and qualify, or obtain an exemption from registration or qualification for the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(g) in the case of certificated Registrable Securities, cooperate with the participating Holders of Registrable Securities and the managing underwriters to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities sold pursuant to a Shelf Registration Statement;

(h) in the case of an underwritten offering, use its commercially reasonable efforts to obtain a "comfort" letter or letters, dated as of such date or dates as the managing underwriters reasonably requests, from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "comfort" letters as any managing underwriter reasonably requests;

(i) in the case of a underwritten offering, furnish, at the request of any managing underwriter for such offering an opinion with respect to legal matters and a negative assurance letter with respect to disclosure matters, dated as of each closing date of such offering of counsel representing the Company for the purposes of such registration, addressed to the underwriters, covering such matters with respect to the registration in respect of which such opinion and letter are being delivered as the underwriters, may reasonably request and are customarily included in such opinions and negative assurance letters;

(j) in the case of an underwritten offering, furnish, at the request of any managing underwriter for such offering an opinion with respect to legal matters and a negative assurance letter with respect to disclosure matters, dated as of each closing date of such offering of counsel representing the Company for the purposes of such registration, addressed to the underwriters, covering such matters with respect to the registration in respect of which such opinion and letter are being delivered as the underwriters, may reasonably request and are customarily included in such opinions and negative assurance letters;

(k) in the case of an underwritten offering, use its commercially reasonable efforts to cooperate and assist in any filings required to be made with FINRA and in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter," if applicable) that is (A) required or requested by FINRA in order to obtain written confirmation from FINRA that FINRA does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) relating to the resale of Registrable Securities pursuant to the Shelf Registration Statement, including, without limitation, information provided to FINRA through its COBRADesk system or (B) required to be retained in accordance with the rules and regulations of FINRA;

(l) if requested by the managing underwriters, if any, or by any Holder of Registrable Securities being sold in an underwritten offering, promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the managing underwriters, if any, or such Holders indicate relates to them or that they reasonably request be included therein and make appropriate members of management available to meeting with potential inestors in the offering;

(m) cause the Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies or authorities, as may be reasonably necessary by virtue of the business and operations of the Company to enable the seller or sellers of Registrable Securities to consummate the disposition of such Registrable Securities;

(n) in the event of any underwritten offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter**(s)** of such offering;

(o) in the event of the issuance or threatened issuance of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related Prospectus or suspending the qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction, use its commercially reasonable efforts promptly to (i) prevent the issuance of any such stop order, and in the event of such issuance, to obtain the withdrawal of such order and (ii) obtain, at the earliest practicable date, the withdrawal of any order suspending or preventing the use of any related Prospectus or suspending qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction;

(p) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(q) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(r) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all oral or written information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(s) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(t) notify each selling Holder at any time when a Prospectus relating to the applicable Registration Statement is required to be delivered under the Securities Act: (i) as promptly as practicable upon discovery that, or upon the happening of any event as a result of which, such Registration Statement, or the Prospectus relating to such Registration Statement, or any document incorporated or deemed to be incorporated therein by reference contains an untrue statement of a material fact or omits any fact necessary to make the statements in the Registration Statement, the Prospectus relating thereto not misleading or otherwise requires the making of any changes in such Registration Statement, Prospectus, or document, and, at the request of any such Holder and subject to the Company's ability to declare Suspension Periods pursuant to Section 2.1(d), the Company shall promptly prepare a supplement or amendment to such Prospectus, furnish a reasonable number of copies of such supplement or amendment to each such seller of such Registrable Securities, and file such supplement or amendment with the SEC so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus as so amended or supplemented shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading, (ii) as promptly as practicable after the Company becomes aware of any request by the SEC or any Federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus covering Registrable Securities or for additional information relating thereto, (iii) as promptly as practicable after the Company becomes aware of the issuance or threatened issuance by the SEC of any stop order suspending or threatening to suspend the effectiveness of a Registration Statement covering the Registrable Securities or (iv) as promptly as practicable after the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any Registrable Security for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; and

(u) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for each of the selling Holders **("Selling Holder Counsel")**, shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration); provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses. All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a Registration Statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any **claim or** proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such **claim** or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the Registration Statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the related offering received by such Holder (net of any Selling Expenses paid by such Holder).

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8**,** give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of 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; provided, however, that, in any such case no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the related offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control between the parties to such agreement.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep **available adequate current** public information, as those terms are understood and defined in SEC Rule 144;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company is subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144, the Securities Act, and the Exchange Act, or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. Subject to Section 3.11, from and after the date of this Agreement, the Company shall not, without the prior written consent of the Majority Hudson Bay Investors and the Majority PECM Investors and the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would provide to such holder the right to include securities in any registration on other than a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include**.**

2.11 Market Stand-off Agreement. Each Holder and the Company hereby agree that it will not, without the prior written consent of the managing underwriter, in connection with an underwritten offering pursuant to Section 2.2 by the Company for its own behalf of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, during the period commencing on the date of the final prospectus relating to and ending on the date specified by the Company and the managing underwriter (such period not to exceed ninety (90) days (the **"Holdback Period"**)), effect any sale or distribution of equity securities of the Company, as applicable, or any securities convertible into or exchangeable or excercisble for such securities. If (x) the Company issues an earnings release or other material news or a material event relating to the Company and its subsidiaries occurs during the last 17 days of the Holdback Period or (y) prior to the expiration of the Holdback Period, the Company announces that it will release earnings results during the 16-day period beginning upon the expiration of the Holdback Period, then to the extent necessary for a managing or co-managing underwriter of an underwritten offering required hereunder to comply with FINRA Rule 2711(f)(4) or any successor regulation, the Holdback Period shall be extended until 18 days after the earnings release or the occurrence of the material news or event, as the case may be (such period the "**Holdback Extension**"). The Company may impose stop-transfer instructions with respect to its securities that are subject to the forgoing restriction until the end of such period, including any period of Holdback Extension. The foregoing provisions of this Subsection 2.11 shall (i) not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, (ii) shall be applicable to the Holders only if all officers and directors are subject to substantially the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all stockholders individually owning more than five percent (5%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock) and (iii) shall be applicable to the Holders only if the Company has complied with its obligations under Section 2 and has included at least 75% of the Registered Securities requested by such Holders in such underwritten offering. The underwriters in connection with such underwritten offering are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such underwritten offering that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto.

2.12 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon when all shares of such Holder's that were Registrable Securities cease to be Registrable Securities, provided that the indemnification provisions of Subsection 2.8 shall survive such termination.

2.13 Hedging Transactions.

(i) The Company agrees that, in connection with any proposed Hedging Transaction, if, in the reasonable judgment of counsel to the Holders' it is necessary or desirable to register under the Securities Act such Hedging Transaction or sales or transfers (whether short or long) of securities of the same class as the Registrable Securities in connection therewith, then the Company shall use its reasonable best efforts to take such actions (which may include, among other things, the filing of a post-effective amendment to a Registration Statement to include additional or changed information that is material or is otherwise required to be disclosed, including a description of such Hedging Transaction, the name of the Hedging Counterparty, identification of the Hedging Counterparty or its affiliates as underwriters or potential underwriters, if applicable, or any change to the plan of distribution) as may reasonably be required to register such Hedging Transaction or sales or transfers of securities of the same class as the Registrable Securities in connection therewith under the Securities Act in a manner consistent with the rights and obligations of the Company hereunder with respect to the registration of Registrable Securities. Any information provided by the Holders regarding the Hedging Transaction that is included in a Registration Statement, Prospectus or other document pursuant to this Section 2.13 shall be deemed to be information provided by the Holders selling Registrable Securities pursuant to such Registration Statement for purposes of Section 2.8.

(ii) All Registration Statements in which Holders may include Registrable Securities under this Agreement shall be subject to the provisions of this Section 2.13, and the registration of securities of the same class as the Registrable Securities thereunder pursuant to this Section 2.13 shall be subject to the provisions of this Agreement applicable to any such Registration Statements; provided, however, that the selection of any Hedging Counterparty shall in the sole discretion of the Holders of a majority of the Registrable Securities subject to the Hedging Transaction that are proposed to be included in such Registration Statement.

(iii) If in connection with a Hedging Transaction, a Hedging Counterparty or any affiliate thereof is (or may be considered under applicable SEC guidance) an underwriter or selling stockholder, then it shall, if requested by the relevant Holder, be required to provide customary indemnities to the Company regarding the plan of distribution and like matters.

(iv) The Company further agrees to include, under the caption "Plan of Distribution" (or the equivalent caption), in each Registration Statement, and any related Prospectus (to the extent such inclusion is permitted under applicable Commission regulations and is consistent with comments received from the Commission during any Commission review of the Registration Statement), such disclosure as is mutually agreed upon by the Company, the relevant Holders and the Hedging Counterparty describing such Hedging Transaction.

3. Miscellaneous.

3.1 Successors and Assigns. This Agreement shall inure, as hereinafter provided, to the benefit of and be binding upon the successors and permitted assigns of each of the parties, including each person who is a transferee of a Holder of any Registrable Securities, who executes a Joinder in the form attached as Annex A hereto, provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Certificate of Designation, applicable law and any applicable agreement. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to and benefit from all of the terms of this Agreement, and by taking and holding such Registrable Securities, such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such person shall be entitled to receive the benefits hereof.

3.2 Governing Law.This Agreement shall be governed by the internal law of the State of New York.

3.3 Jurisdiction. Any action or proceeding against any party hereto relating in any way to this Agreement or the transactions contemplated hereby may be brought and enforced in any United States federal court or New York State Court located in the Borough of Manhattan in The City of New York, and each party, on behalf of itself and its respective successors and assigns, irrevocably consents to the jurisdiction of each such court in respect of any such action or proceeding. Each party, on behalf of itself and its respective successors and assigns, irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to such person or entity at the address for such person or entity set forth in Section 3.7 hereof of this Agreement or such other address such person or entity shall notify the other in writing. The foregoing shall not limit the right of any person or entity to serve process in any other manner permitted by law or to bring any action or proceeding, or to obtain execution of any judgment, in any other jurisdiction.

Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising under or relating to this Agreement or the transactions contemplated hereby in any court located in the Borough of Manhattan in The City of New York. Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives any claim that a court located in the State of New York is not a convenient forum for any such action or proceeding.

Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives, to the fullest extent permitted by applicable United States federal and state law, all immunity from jurisdiction, service of process, attachment (both before and after judgment) and execution to which he might otherwise be entitled in any action or proceeding relating in any way to this Agreement or the transactions contemplated hereby in the courts of the State of New York, of the United States or of any other country or jurisdiction, and hereby waives any right he might otherwise have to raise or claim or cause to be pleaded any such immunity at or in respect of any such action or proceeding.

3.4 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

3.5 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.6 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

3.7 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by registered or certified first-class mail, return receipt requested, telecopy, electronic transmission, courier service or personal delivery:

(a) If to the Company:

Suite 150
460 Herndon Parkway
Herndon, VA 20170
Telecopy: (703) 650-4295
Attention: Andrea L. Mancuso, General Counsel

With a copy to (which shall not constitute notice hereunder):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Telecopy: (212) 492-0105
Attention: Jeffery D. Marell

(b) If to any Holder, at its address as it appears on Exhibit A, or at the Holder's address as it appears in the records of the Company if updated after the execution of this Agreement.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) days after being deposited in the mail, postage prepaid, if mailed; and when receipt is acknowledged, if telecopied or electronically transmitted. Any party may by notice given in accordance with this Section 3.7 designate another address or Person for receipt of notices hereunder. If the due date for any notice is a day that is not a business day for commercial banks in the City of New York, then such notice shall be considered timely delivered if it is delivered by the end of the following such business day.

3.8 Amendments and Waivers. This Agreement may be amended with the consent of the Company and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained a written consent to such amendment, action or omission to act of the the Hudson Bay Majority Investors and the PECM Majority Investors and the Holders of at least a majority of the Registrable Securities then outstanding, provided however, that any modification, alteration, waiver or change that has a disproportionate and adverse effect on any right of any Holder or any person named in Section 3.11 to the extent he or it has not yet become a party to this Agreement pursuant to Section 3.11 under this Agreement shall not be effective against such Holder without the prior written consent of such Holder.

No waiver of any terms or conditions of this Agreement shall operate as a waiver of any other breach of such terms and conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. No written waiver hereunder, unless it by its own terms explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provisions being waived and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

3.9 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

3.10 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

3.11 Additional Investor. Notwithstanding anything to the contrary contained herein, each of Philip A Falcone and HRG may become a party to this Agreement by executing and delivering a joinder to this Agreement in the form attached hereto as Exhibit A, and thereafter shall be deemed an “Investor” for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by HRG, so long as HRG has agreed in writing to be bound by all of the obligations as an “Investor” hereunder.

3.12 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement **among** the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

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

HC2 HOLDINGS INC.

By: /s/ Mesfin Demise

Name: Mesfin Demise

Title: Chief Financial Officer

INVESTORS:

HUDSON BAY ABSOLUTE RETURN
CREDIT OPPORTUNITIES MASTER FUND LTD.

By: /s/ Marc Sole

Name: Marc Sole

Title: Authorized Signatory

DEBT FUND III L.P.

By: /s/ Bryan Martoken

Name: Bryan Martoken

Title: CFO - Capital Markets Group

PROVIDENCE DEBT FUND III MASTER (NON-US) L.P.

By: /s/ Bryan Martoken

Name: Bryan Martoken

Title: CFO - Capital Markets Group

PECM STRATEGIC FUNDING L.P.

By: PECM Strategic Funding GP L.P., its general partner

By: PECM Strategic Fund ing GP Ltd., its general partner

By: /s/ Bryan Martoken

Name: Bryan Martoken

Title: CFO - Capital Markets Group

BENEFIT STREET PARTNERS SMA LM L.P.

By: /s/ Bryan Martoken

Name: Bryan Martoken

Title: CFO - Capital Markets Group

DG VALUE PARTNERS, LP

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin

Name: Dov Gertzulin

Title: Managing Member

DG VALUE PARTNERS II MASTER FUND, LP

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin

Name: Dov Gertzulin

Title: Managing Member

SPECIAL SITUATIONS, LLC

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin
Name: Dov Gertzulin
Title: Managing Member

SPECIAL SITUATIONS X, LLC

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin

Name: Dov Gertzulin

Title: Managing Member

DG CREDIT OPPORTUNITIES, LP

By: DG Capital Management, LLC, *its investment manager*

By: /s/ Dov Gertzulin

Name: Dov Gertzulin

Title: Managing Member

SCHEDULE A

Investors

Hudson Bay Investors

HUDSON BAY ABSOLUTE RETURN CREDIT OPPORTUNITIES MASTER FUND LTD.

PECM Investors

PROVIDENCE DEBT FUND III L.P.

PROVIDENCE DEBT FUND III MASTER (NON-US) L.P.

PECM STRATEGIC FUNDING L.P.

BENEFITS STREET PARTNERS SMA LM L.P.

DG Investors

DG VALUE PARTNERS, LP

DG VALUE PARTNERS II MASTER FUND, LP

SPECIAL SITUATIONS, LLC

SPECIAL SITUATIONS X, LLC

DG CREDIT OPPORTUNITIES, LP

EXHIBIT A

FORM OF JOINDER

THIS JOINDER is made on this ___ day of _____, _____

BETWEEN

(1) _____ (the "New Party");

AND

(2) THE INVESTORS

(collectively, the "Current Parties" and individually, a "Current Party");

AND

(3) HC2 HOLDINGS INC., (the "Company").

WHEREAS a Registration Rights Agreement was entered into on May [ ], 2014 by and among, inter alia, certain of the Current Parties and the Company (the "Registration Rights Agreement"), a copy of which the New Party hereby confirms that it has been supplied with and acknowledges the terms therein.

NOW IT IS AGREED as follows:

1. In this Joinder, unless the context otherwise requires, words and expressions respectively defined or construed in the Registration Rights Agreement shall have the same meanings when used or referred to herein.

2. The New Party hereby accedes to and ratifies the Registration Rights Agreement and covenants and agrees with the Current Parties and the Company to be bound by the terms of the Registration Rights Agreement as an "Investor" and to duly and punctually perform and discharge all liabilities and obligations whatsoever from time to time to be performed or discharged by it under or by virtue of the Registration Rights Agreement in all respects as if named as a party therein.

3. The Company covenants and agrees that the New Party shall be entitled to all the benefits of the terms and conditions of the Registration Rights Agreement to the intent and effect that the New Party shall be deemed, with effect from the date on which the New Party executes this Joinder, to be a party to the Registration Rights Agreement as an "Investor."

4. This Joinder shall hereafter be read and construed in conjunction and as one document with the Registration Rights Agreement and references in the Registration Rights Agreement to "the Agreement" or "this Agreement," and references in all other instruments and documents executed thereunder or pursuant thereto to the Registration Rights Agreement, shall for all purposes refer to the Registration Rights Agreement incorporating and as supplemented by this Joinder.

5. THIS JOINDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

6. Any action or proceeding against any party hereto relating in any way to this Joinder or the transactions contemplated hereby may be brought and enforced in any United States federal court or New York State Court located in the Borough of Manhattan in The City of New York, and each party, on behalf of itself and its respective successors and assigns, irrevocably consents to the jurisdiction of each such court in respect of any such action or proceeding. Each party, on behalf of itself and its respective successors and assigns, irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to such person or entity at the address for such person or entity set forth in Section 3.7 of the Registration Rights Agreement or such other address such person or entity shall notify the other in writing. The foregoing shall not limit the right of any person or entity to serve process in any other manner permitted by law or to bring any action or proceeding, or to obtain execution of any judgment, in any other jurisdiction.

7. Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising under or relating to this Joinder or the transactions contemplated hereby in any court located in the Borough of Manhattan in The City of New York. Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives any claim that a court located in the State of New York is not a convenient forum for any such action or proceeding.

8. Each party, on behalf of itself and its respective successors and assigns, hereby irrevocably waives, to the fullest extent permitted by applicable United States federal and state law, all immunity from jurisdiction, service of process, attachment (both before and after judgment) and execution to which he might otherwise be entitled in any action or proceeding relating in any way to this Joinder or the transactions contemplated hereby in the courts of the State of New York, of the United States or of any other country or jurisdiction, and hereby waives any right he might otherwise have to raise or claim or cause to be pleaded any such immunity at or in respect of any such action or proceeding.

9. The address of the undersigned for purposes of all notices under the Registration Rights Agreement is: _____

_____

[NEW PARTY]

By: _____

Name:

Title:

Exhibit 3

JOINT FILING AGREEMENT

The undersigned acknowledge and agree that the foregoing statement on Schedule 13D is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13D shall be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained herein and therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

Dated: June 9, 2014

BENEFIT STREET PARTNERS L.L.C.

By: /s/ Bryan R. Martoken
Name: Bryan R. Martoken
Title Authorized Signatory

PROVIDENCE EQUITY CAPITAL MARKETS L.L.C.

By: /s/ Bryan R. Martoken
Name: Bryan R. Martoken
Title Authorized Signatory

By: /s/ Jonathan M. Nelson
Name: Jonathan M. Nelson

By: /s/ Paul J. Salem
Name: Paul J. Salem

By: /s/ Glenn M. Creamer
Name Glenn M. Creamer

By: /s/ Thomas J. Gahan
Name Thomas J. Gahan