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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): November 15, 2016



**Daktronics, Inc.**

(Exact name of registrant as specified in its charter)

**South Dakota**  
(State or other jurisdiction  
Incorporation or organization)

**0-23246**  
(Commission  
File Number)

**46-0306862**  
(I.R.S. Employer  
Identification Number)

**201 Daktronics Drive**  
**Brookings, SD 57006**  
(Address of principal executive office) (zip code)

**(605) 692-0200**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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*This Current Report on Form 8-K (the "Report") contains both historical and forward-looking statements that involve risks, uncertainties and assumptions. The statements contained in this Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21B of the Securities Exchange Act of 1934, as amended, including statements regarding our expectations, beliefs, intentions and strategies for the future. These statements appear in a number of places in this Report and include all statements that are not historical statements of fact regarding our intent, belief or current expectations with respect to, among other things: (i) our competition; (ii) our financing plans; (iii) trends affecting our financial condition or results of operations; (iv) our growth strategy and operating strategy; (v) the declaration and payment of dividends; (vi) the timing and magnitude of future contracts; (vii) parts shortages and lead times; (viii) fluctuations in margins; and (ix) the seasonality of our business; (x) the introduction of new products and technology; and (xi) the timing and magnitude of any acquisitions or dispositions. The words "may," "would," "could," "should," "will," "expect," "estimate," "anticipate," "believe," "intend," "plans" and similar expressions and variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond our ability to control, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors discussed herein, including those discussed in our filings with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the fiscal year ended April 30, 2016 in the section entitled "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," and those factors discussed in detail in our other filings with the Securities and Exchange Commission.*

## **Section 1 – Registrant's Business and Operations**

### **Item 1.01 Entry into a Material Definitive Agreement.**

On November 15, 2016, Daktronics, Inc. (the "Company") entered into a Credit Agreement (the "Agreement") and a related Revolving Note (the "Note") with U.S. Bank National Association (the "Bank"). The Agreement and Note have a maturity date of November 15, 2019. The revolving amount of the Agreement and Note is \$35,000,000, including up to \$15,000,000 for commercial and standby letters of credit. The Agreement and Note are unsecured. The Note provides for certain covenants of the Company, including a fixed charge ratio and interest bearing debt to EBITDA ratio. The Company will use any borrowings under the Note for general corporate purposes. As of November 15, 2016, there were no borrowings under the Note, and the balance of letters of credit outstanding was approximately \$5.3 million.

Also, on November 15, 2016, the Company entered into an Amended and Restated Loan Agreement (the "Loan") and a Continuing and Unlimited Guaranty Agreement (the "Guaranty") with Bank of America, N.A. ("BoA"). The Loan and Guaranty have a maturity date of November 15, 2019. The revolving amount of the Loan is \$20,000,000. The Loan is unsecured. The Loan provides for certain covenants of the Company including a fixed charge ratio and interest bearing debt to EBITDA ratio. The Company will use the borrowings under the Note to support credit needs for general corporate purposes outside the United States. As of November 15, 2016, there were no borrowings under the Loan, and the balance of letters of credit outstanding was approximately \$6.8 million.

The foregoing description of the Agreement, the Note, the Loan, and the Guaranty is qualified in its entirety by reference to such documents, copies of which are filed as Exhibits 10.1, 10.2, 10.3, and 10.4 to this Report and incorporated herein by reference.

### **Item 1.02 Termination of a Material Definitive Agreement**

As of November 15, 2016, all prior credit facilities expired including: the Twelfth Amendment to the Loan Agreement and the related Renewal Note Agreement with the Bank and the Fifth Amendment to the Loan Agreement, the third Amendment of the Unlimited Guarantee Agreement and the Amended and Restated Revolving Note with BoA.

## **Section 9 – Financial Statements and Exhibits**

### **Item 9.01 Financial Statements and Exhibits.**

(d) The following exhibits are filed with this Report:

[10.1 Credit Agreement dated November 15, 2016 by and between the Company and U.S. Bank National Association.](#)

[10.2 Revolving Note dated November 15, 2016 issued by the Company to U.S. Bank National Association.](#)

[10.3 Amended and Restated Loan Agreement dated November 15, 2016 by and between the Company and Bank of America, N.A.](#)

**SIGNATURE**

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

**DAKTRONICS, INC.**

By: /s/ Sheila M. Anderson

Sheila M. Anderson, Chief Financial Officer (Principal Financial Officer)

Date: November 16, 2016

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">10.1</a>	<a href="#">Credit Agreement dated November 15, 2016 by and between the Company and U.S. Bank National Association.</a>
<a href="#">10.2</a>	<a href="#">Revolving Note dated November 15, 2016 issued by the Company to U.S. National Bank Association.</a>
<a href="#">10.3</a>	<a href="#">Amended and Restated Loan Agreement dated November 15, 2016 by and between the Company and Bank of America, N.A.</a>
<a href="#">10.4</a>	<a href="#">Continuing and Unconditional Guaranty dated November 15, 2016 by and between the Company and Bank of America, N.A.</a>

## CREDIT AGREEMENT

This Credit Agreement (this "Agreement"), dated November 15, 2016 is between DAKTRONICS, INC., a South Dakota corporation (the "Borrower") and U.S. BANK NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the "Lender").

### ARTICLE I

#### DEFINITIONS

1.1. Definitions. As used in this Agreement:

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries (a) acquires any going-concern business or all or substantially all of the assets of any firm, corporation, limited liability company or partnership, or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

"Adjusted Fixed Charge Coverage Ratio" means, with respect to any fiscal period of determination with respect to the Borrower, the ratio of:

- (a) EBITDA minus the sum of (i) any dividends or other distributions (with the exception of any U.S. Bank approved special cash dividend), (ii) a reserve for maintenance Capital Expenditures in the amount of \$6,000,000, and (iii) income taxes paid in cash, but excluding cash used to repurchase any stock of the Borrower to
- (b) all required principal and interest payments with respect to Indebtedness (including but not limited to all payments with respect to Capitalized Lease Obligations of the Borrower),

in each case determined for said period in accordance with GAAP.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person, including, without limitation, such Person's Subsidiaries. A Person shall be deemed to control another Person if the controlling Person owns 10% or more of any class of voting Equity Interests of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of Equity Interests, by contract or otherwise.

“Agreement” means this Credit Agreement, as it may be amended or modified and in effect from time to time.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“Applicable Margin” means the amount specified in the column in the table below that corresponds to the IBD/EBITDA ratio at the time in question:

<u>IBD/EBITDA Ratio</u>	<u>Applicable Margin</u>	<u>Tier</u>
Less than 0.50 to 1.00	LIBOR + 145 basis points	1
Greater than or equal to 0.50 to 1.00 but less than 1.25 to 1.00	LIBOR + 170 basis points	2
Greater than or equal to 1.25 to 1.00	LIBOR + 195 basis points	3

The Applicable Margin shall be determined in accordance with the foregoing table based on the applicable tier as reflected in the then most recent annual or quarterly financial statements of the Borrower and its Subsidiaries delivered pursuant to Section 6.1(a) or (b). Adjustments, if any, to the Applicable Margin shall be effective from and after the first day of the first fiscal month immediately following the date on which the delivery of such financials is required until the first day of the first fiscal month immediately following the next such date on which delivery of such financials of the Borrower and its Subsidiaries is so required. If the Borrower fails to deliver the financials to the Lender at the time required pursuant to Section 6.1, then beginning on the day after such financials are due the Applicable Margin shall be the highest Applicable Margin set forth in the foregoing table until five (5) days after such financials are so delivered, at which time the Applicable Margin shall be determined based on such financials according to the tables above.

Notwithstanding the foregoing, Tier 1 shall be deemed to be applicable until the Lender’s receipt of the applicable financials for the Borrower’s first full fiscal quarter ending after the Effective Date, and adjustments to the tier then in effect shall thereafter be effected in accordance with the preceding paragraph.

“Article” means an article of this Agreement unless another document is specifically referenced.

“Authorized Officer” means either of the Chief Executive Officer and the Chief Financial Officer of the Borrower, acting singly.

“Available Revolving Commitment” means, at any time, the Revolving Commitment Amount then in effect *minus* the Revolving Exposure at such time.

“Borrowing Date” means a date on which a Loan is made or a Facility LC is issued hereunder.

“Borrowing Notice” is defined in Section 2.5.

“Business Day” means a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

“Capital Expenditures” means, without duplication, any expenditure for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP.

“Capitalized Lease” of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“Capitalized Lease Obligations” of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Management Services” means any banking services that are provided to the Borrower or any Subsidiary by the Lender, including without limitation: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) stored value cards, (f) automated clearing house or wire transfer services, or (g) treasury management, including controlled disbursement, consolidated account, lockbox, overdraft, return items, sweep and interstate depository network services.

“Change in Law” means the adoption of or change in any law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof by any Governmental or quasi-Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, including, notwithstanding the foregoing, all requests, rules, guidelines or directives (x) in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act or (y) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States financial regulatory authorities, in each case of clauses (x) and (y), regardless of the date enacted, adopted, issued, promulgated or implemented, or compliance by the Lender with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency.

“Code” means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

“Constituent Documents” means, with respect to any Person, as applicable, such Person’s certificate of incorporation, articles of incorporation, bylaws, certificate of formation, articles of organization, limited liability company agreement, management agreement, operating agreement, shareholder agreement, partnership agreement or similar document or agreement governing such Person’s existence, organization or management or concerning the disposition of Equity Interests of such Person or voting rights among such Person’s owners.

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or

agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

“Credit Extension” means the making of a Loan, or the issuance or amendment of a Facility LC hereunder.

“Daily Reset LIBOR Rate” means the greater of (a) zero percent (0.0%) and (b) the one-month LIBOR rate quoted by the Lender from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that one-month LIBOR rate in effect and reset each New York Banking Day, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate rounded up to the nearest one-sixteenth percent.

“Default” means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

“Deposits” is defined in Section 10.1.

“Dollar” and “\$” means the lawful currency of the United States of America.

“EBITDA” means, with respect to any fiscal period of determination, the net income of the Borrower before deductions for income taxes, interest expense, depreciation and amortization, all as determined in accordance with GAAP.

“Effective Date” means the date on which the conditions specified in Section 4.1 are satisfied.

“Equity Interests” means all shares, interests or other equivalents, however designated, of or in a corporation, limited liability company, or partnership, whether or not voting, including but not limited to common stock, member interests, partnership interests, warrants, preferred stock, convertible debentures, and all agreements, instruments and documents convertible, in whole or in part, into any one or more or all of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure with respect to any Plan to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 303(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to

terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of withdrawal liability under Section 4201 of ERISA or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Event of Default” is defined in Article VII.

“Excluded Taxes” means, in case of the Lender, Taxes imposed on its overall net income, franchise Taxes, and branch profits Taxes imposed on the Lender, by the jurisdiction under the laws of which it is incorporated or is organized or in which its principal executive office is located.

“Exhibit” refers to an exhibit to this Agreement, unless another document is specifically referenced.

“Facility LC” is defined in Section 2.12(a).

“Facility LC Application” is defined in Section 2.12(b).

“Facility LC Fee” is defined in Section 2.12(c).

“Facility LC Obligations” means, at any time, the sum, without duplication, of (a) the aggregate undrawn stated amount under all Facility LCs outstanding at such time *plus* (b) the aggregate unpaid amount at such time of all Reimbursement Obligations.

“Facility LC Payment Date” is defined in Section 2.12(d).

“Facility Termination Date” means November 15, 2019, or any earlier date on which the Revolving Commitment Amount is reduced to zero or the Revolving Commitment is otherwise terminated pursuant to the terms hereof.

“Financial Contract” of a Person means (a) any exchange-traded or over-the-counter futures, forward, swap or option contract or other financial instrument with similar characteristics or (b) any Hedge Management Transaction.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States, applied in a manner consistent with that used in preparing the financial statements referred to in Section 5.4, subject at all times to Section 9.8.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervisory Practices or any successor or similar authority to any of the foregoing).



“Hedge Management Obligations” means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Hedge Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedge Management Transactions.

“Hedge Management Transaction” means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by the Borrower or any Subsidiary which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Highest Lawful Rate” means, on any day, the maximum non-usurious rate of interest permitted for that day by applicable federal or state law stated as a rate per annum.

“IBD” means all interest bearing obligations, including those represented by bonds, debentures, or other debt securities and open-ended bank guaranties, but excluding any long-term contractual obligations related to marketing transactions whose source of payment is underlying advertising agreements.

“Indebtedness” means all interest-bearing obligations, including those represented by bonds, debentures, or other debt securities, except principal reductions on the Revolving Loan.

“Indemnified Taxes” means Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document, other than Excluded Taxes and Other Taxes.

“Investment” of a Person means (a) any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; (b) stocks, bonds, mutual funds, Equity Interests, notes, debentures or other securities (including warrants or options to purchase securities) owned by such Person; (c) any deposit accounts and certificate of deposit owned by such Person; and (d) structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

“Letter of Credit” means a letter of credit or similar instrument which is issued upon the application of a Person or upon which a Person is an account party or for which a Person is in any way liable.

“Lien” means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

“Loan” means a Revolving Loan.

“Loan Documents” means this Agreement, the Facility LC Applications, the Notes, and any other document or agreement, now or in the future, executed by the Borrower for the benefit of the Lender in connection with this Agreement.

“Material Adverse Effect” means a material adverse effect on (a) the business, Property, liabilities (actual and contingent), operations or condition (financial or otherwise), results of operations, or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower to perform its obligations under the Loan Documents to which it is a party, or (c) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Lender under the Loan Documents.

“Material Indebtedness” means Indebtedness of the Borrower or any Subsidiary in an outstanding principal amount of \$1,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

“Material Indebtedness Agreement” means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

“Modify” and “Modification” are defined in Section 2.12(a).

“Multiemployer Plan” means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any ERISA Affiliate is a party to which more than one employer is obligated to make contributions.

“Net Mark-to-Market Exposure” of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Hedge Management Transactions. “Unrealized losses” means the fair market value of the cost to such Person of replacing such Hedge Management Transaction as of the date of determination (assuming the Hedge Management Transaction were to be terminated as of that date), and “unrealized profits” means the fair market value of the gain to such Person of replacing such Hedge Management Transaction as of the date of determination (assuming such Hedge Management Transaction were to be terminated as of that date).

“New York Banking Day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“Note” is defined in Section 2.9(a).

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all Facility LC Obligations, all obligations in connection with Cash Management Services, all Hedge Management Obligations provided to the Borrower or any Subsidiary by the Lender, all accrued and unpaid fees, and all expenses, reimbursements, indemnities and other obligations of the Borrower or any Subsidiary to the Lender or any indemnified party arising under the Loan Documents (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

“Participant” is defined in Section 11.1(b).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

“Payment Date” means the first day of each month, *provided*, that if such day is not a Business Day, the Payment Date shall be the next succeeding Business Day.

“PBGC” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Permitted Acquisition” means any Acquisition made by the Borrower or any of its Subsidiaries, *provided* that, (a) as of the date of the consummation of such Acquisition, no Default or Event of Default shall have occurred and be continuing or would result after giving effect to such Acquisition, and the representation and warranty contained in Section 5.10 shall be true both before and after giving effect to such Acquisition, (b) such Acquisition is consummated on a non-hostile basis pursuant to a negotiated

acquisition agreement that has been (if required by the governing documents of the seller or entity to be acquired) approved by the board of directors or other applicable governing body of the seller or entity to be acquired, and no material challenge to such Acquisition (excluding the exercise of appraisal rights) shall be pending or threatened by any shareholder or director of the seller or entity to be acquired, (c) the business to be acquired in such Acquisition is in the same line of business as the Borrower's or a line of business incidental thereto, (d) as of the date of the consummation of such Acquisition, all material approvals required in connection therewith shall have been obtained, and (e) the total consideration paid in connection with all such Permitted Acquisitions does not exceed \$10,000,000 in any fiscal year

“Person” means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

“Plan” means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any ERISA Affiliate may have any liability.

“Property” of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

“Reimbursement Obligations” means, at any time, the aggregate of all obligations of the Borrower then outstanding under Section 2.12 to reimburse the Lender for amounts paid by the Lender in respect of any one or more drawings under Facility LCs.

“Revolving Commitment” means the obligation, if any, of the Lender to make the Revolving Loan to, and issue Facility LCs upon the application of, the Borrower in an aggregate principal amount outstanding at any time not to exceed the Revolving Commitment Amount upon the terms and subject to the conditions and limitations of this Agreement.

“Revolving Commitment Amount” means \$35,000,000, as such amount may be modified (a) pursuant to Section 2.4, or (b) otherwise from time to time pursuant to the terms hereof.

“Revolving Commitment Fee” is defined in Section 2.3.

“Revolving Exposure” means, at any time, the sum of (a) the aggregate principal amount of the Revolving Loans outstanding at such time, plus (b) the aggregate principal amount of the Facility LC Obligations at such time.

“Revolving Loan” means a loan made pursuant to the Revolving Commitment to lend set forth in Section 2.1.

“Revolving Note” means the promissory note of the Borrower in the form of Exhibit A.

“Risk-Based Capital Guidelines” means (a) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (b) the corresponding capital regulations

promulgated by regulatory authorities outside the United States, including transition rules, and, in each case, any amendments to such regulations.

“Sanctioned Country” means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

“Sanctioned Person” means, at any time, (a) any Person or group listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Schedule” refers to a specific schedule to this Agreement, unless another document is specifically referenced.

“Section” means a numbered section of this Agreement, unless another document is specifically referenced.

“Subsidiary” of a Person means (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of the Borrower.

“Substantial Portion” means, with respect to the Property of the Borrower and its Subsidiaries, Property which represents more than 10% of the consolidated assets of the Borrower and its Subsidiaries taken as a whole or Property which is responsible for more than 10% of the consolidated net income of the Borrower and its Subsidiaries taken as a whole, in each case, as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made (or if financial statements have not been delivered hereunder for that month which begins the twelve-month period, then the financial statements delivered hereunder for the quarter ending immediately prior to that month).

“Swap” means any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Counterparty” means, with respect to any swap with the Lender, any Person or entity that is or becomes a party to such swap.

“Taxes” means any and all present or future taxes, duties, levies, imposts, deductions, fees, assessments, charges or withholdings, and any and all liabilities with respect to the foregoing, including interest, additions to tax and penalties applicable thereto.

“Transferee” is defined in Section 11.1.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

1.2. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise stated the word “from” means “from and including” and the word “to” or “until” each means “to but excluding.”

1.3. Other Definitional Terms. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections, Exhibits, schedules and like references are to this Agreement unless otherwise expressly provided. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The term “shall” has the same meaning as the term “will.” Unless the context in which used herein otherwise clearly requires, “or” has the inclusive meaning represented by the phrase “and/or.” All incorporation by reference of covenants, terms, definitions or other provisions from other agreements are incorporated into this Agreement as if such provisions were fully set forth herein, and such incorporation shall include all necessary definitions and related provisions from such other agreements but including only amendments thereto agreed to by the Lender, and shall survive any termination of such other agreements until the Obligations are irrevocably paid in full (other than inchoate indemnity obligations), all Facility LCs have expired without renewal or been returned to the Lender, and the commitments of the Lender to advance funds to the Borrower are terminated.

## ARTICLE II

### THE CREDITS

2.1. Commitments. From and including the Effective Date and prior to the Facility Termination Date, the Lender agrees, on the terms and conditions set forth in this Agreement, to make Revolving Loans to the Borrower in Dollars and issue Facility LCs upon the request of the Borrower, *provided* that, after giving effect to the making of each such Revolving Loan and the issuance of each such Facility LC, the Revolving Exposure shall not exceed the Revolving Commitment Amount. Subject to the terms of this Agreement, the Borrower may borrow, repay and re-borrow the Revolving Loans at any time prior to the Facility Termination Date. Unless previously terminated, the Revolving Commitment shall terminate on the Facility Termination Date. The Lender will issue Facility LCs hereunder on the terms and conditions set forth in Section 2.12.

2.2. Required Payments; Termination. If at any time the Revolving Exposure exceeds the Revolving Commitment Amount, the Borrower shall immediately make a payment on the Revolving Loans in an amount sufficient to eliminate such excess. The Revolving Exposure and

all other unpaid Obligations under this Agreement and the other Loan Documents shall be paid in full by the Borrower on the Facility Termination Date.

2.3. Fees. The Borrower agrees to pay to the Lender a commitment fee (the “Revolving Commitment Fee”) at a per annum rate equal to 0.125% on the average daily Available Revolving Commitment from the date of this Agreement to and including the Facility Termination Date, payable in arrears on the last day of each quarter hereafter and on the Facility Termination Date.

2.4. Termination and Reductions in Revolving Commitment; Optional Principal Payments.

(a) The Borrower may permanently reduce the Revolving Commitment Amount in whole, or in part in integral multiples of \$100,000, upon at least five (5) Business Days’ prior written notice to the Lender by 11:00 a.m. (Central Standard Time), which notice shall specify the amount of any such reduction, *provided, however*, that the Revolving Commitment Amount may not be reduced below the Revolving Exposure. The Borrower may, at any time when there are no Facility L/Cs outstanding, upon not less than 10 Business Days’ prior written notice to the Lender, terminate the Revolving Commitment in its entirety. Upon termination of the Revolving Commitment pursuant to this Section 2.4, the Borrower shall pay to the Lender the full amount of all outstanding Revolving Loans, all accrued and unpaid interest thereon, and all unpaid Revolving Commitment Fees accrued to the date of such termination. All accrued Revolving Commitment Fees shall be payable on the effective date of any termination of the obligations of the Lender to make Credit Extensions hereunder.

(b) The Borrower may prepay the Revolving Loans, in whole or in part, at any time, without premium or penalty. Notwithstanding anything to the contrary, if the Revolving Loans are tied to a cash management sweep product agreed to by the Borrower and the Lender, then Revolving Loans will also be prepaid by applications made to the Revolving Loans in accordance with the terms of such cash management sweep product.

2.5. Borrowing Requests. The Borrower shall give the Lender notice (a “Borrowing Notice”) not later than 11:00 a.m. (Central Standard Time) on the Borrowing Date of each Revolving Loan specifying:

- (i) the Borrowing Date, which shall be a Business Day, of such Revolving Loan, and
- (ii) the amount of such Revolving Loan.

2.6. Interest Rates. Interest on each Advance hereunder shall accrue at an annual rate equal to the Applicable Margin plus the Daily Reset LIBOR Rate. The Lender's internal records of applicable interest rates shall be determinative in the absence of manifest error.

2.7. Rates Applicable After Event of Default. During the continuance of an Event of Default, the Loans shall, at the option of the Lender (or, in the case of an Event of Default under Section 7.2, 7.6 or 7.7, automatically upon the occurrence of an Event of Default), bear interest at the rate otherwise applicable thereto plus 5.0% per annum and the Facility LC Fee shall, at the option of the Lender (or, in the case of an Event of Default under Section 7.2, 7.6 or 7.7, automatically upon the occurrence of an Event of Default) be increased by 5.0% per annum.

2.8. Method of Payment. All payments of the Obligations under this Agreement and the other Loan Documents shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Lender at the Lender's address specified in Article XII by 12:00 noon (Central Standard Time) on the date when due. The Lender is authorized to charge the account of the Borrower maintained with the Lender for each payment of principal, interest, Reimbursement Obligations and fees as it becomes due hereunder.

2.9. Evidence of Indebtedness.

(a) The Revolving Loans shall be evidenced by a single Revolving Note payable to the order of the Lender in a principal amount equal to the Revolving Commitment Amount originally in effect (the "Note").

(b) The Lender shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to the Lender hereunder, (iii) the original stated amount of each Facility LC and the amount of Facility LC Obligations outstanding at any time, and (iv) the amount of any sum received by the Lender hereunder from the Borrower. The entries maintained in the accounts shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, the failure of the Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

2.10. Telephonic Notices. The Borrower authorizes the Lender to extend Loans and to transfer funds based on telephonic notices made by any Person or Persons the Lender in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices to be given telephonically. The Borrower agrees to deliver promptly to the Lender a written confirmation (which may include e-mail) of each telephonic notice authenticated by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Lender, the records of the Lender shall govern absent manifest error.



2.11. Interest Payment Dates; Interest and Fee Basis. Interest is payable beginning December 1, 2016, and on the same date of each consecutive month thereafter (except that if a given month does not have such a date, the last day of such month), and on the date of any prepayment on the amount prepaid, plus a final interest payment with the final payment of principal. Interest accrued pursuant to Section 2.7 shall be payable on demand. Interest on all Loans and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day a Loan is made but not for the day of any payment on the amount paid if payment is received prior to 12:00 noon (Central Standard Time) at the place of payment. If any payment of principal of or interest on a Loan shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day. If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lender determines that (i) the IBD/EBITDA Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the IBD/EBITDA Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Lender promptly upon demand (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period.

2.12. Facility LCs.

(a) Issuance. The Lender agrees, on the terms and conditions set forth in this Agreement, to issue standby and commercial Letters of Credit denominated in Dollars (each, a “Facility LC”) and to renew, extend, increase, decrease or otherwise modify each Facility LC (“Modify,” and each such action a “Modification”), from time to time from and including the Effective Date and prior to the Facility Termination Date upon the request of the Borrower; *provided* that immediately after each such Facility LC is issued or Modified, (i) the aggregate amount of the outstanding Facility LC Obligations shall not exceed \$15,000,000, and (ii) the aggregate amount of the Revolving Exposure shall not exceed the Revolving Commitment Amount. No Facility LC shall have an expiry date later than the date which is 18 months subsequent to the Facility Termination Date.

(b) Notice. Subject to Section 2.12(a), the Borrower shall give the Lender notice prior to 10:00 a.m. (Central Standard Time) at least five (5) Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. The issuance or Modification by the Lender of any Facility LC shall, in addition to the conditions precedent set forth in Article IV, be subject to the conditions precedent that such Facility LC shall be satisfactory to the Lender and that the Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the Lender shall have reasonably requested (each, a “Facility LC Application”). The Lender

shall have no independent duty to ascertain whether the conditions set forth in Article IV have been satisfied. In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

(c) Facility LC Fees. The Borrower shall pay to the Lender, with respect to each international Facility LC, a letter of credit fee at a per annum rate equal to 0.50% of the original face amount of such Facility LC for the period from the date of issuance to the scheduled expiration date of such Facility LC, such fee to be payable in arrears on the last day of each quarter hereafter (the "Facility LC Fee"). The Borrower shall also pay to the Lender on demand, all amendment, drawing and other fees regularly charged by the Lender to its letter of credit customers and all out-of-pocket expenses incurred by the Lender in connection with the issuance, Modification, administration or payment of any Facility LC.

(d) Administration. Upon receipt of any demand for payment under any Facility LC from the beneficiary of such Facility LC, the Lender shall notify the Borrower as to the amount to be paid by the Lender as a result of such demand and the proposed payment date (the "Facility LC Payment Date"). The responsibility of the Lender to the Borrower shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with the requirements of such Facility LC.

(e) Reimbursement by Borrower. The Borrower shall be irrevocably and unconditionally obligated to reimburse the Lender on or before the applicable Facility LC Payment Date for any amounts to be paid by the Lender upon any drawing under any Facility LC, without presentment, demand, protest or other formalities of any kind. All such amounts paid by the Lender and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to (x) the rate applicable to the Loans for such day if such day falls on or before the applicable Facility LC Payment Date and (y) the sum of 5.0% per annum *plus* the rate applicable to the Loans for such day if such day falls after such Facility LC Payment Date. Subject to the terms and conditions of this Agreement (including without limitation the submission of a Borrowing Notice in compliance with Section 2.5 and the satisfaction of the applicable conditions precedent set forth in Article IV), the Borrower may request an advance hereunder for the purpose of satisfying any Reimbursement Obligation.

(f) Obligations Absolute. The Borrower's obligations under this Section 2.12 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against the Lender or any beneficiary of a Facility LC. The Borrower further agrees with the Lender that the Lender shall not be responsible for, and the Borrower's Reimbursement Obligation in respect of any Facility LC shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Borrower, any of its Affiliates, the beneficiary of any Facility LC or any financing institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of the Borrower or of any of its Affiliates against the beneficiary of any Facility LC or any such

transferee. The Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC.

(g) Actions of Lender. The Lender shall be entitled to rely, and shall be fully protected in relying, upon any Facility LC, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile, telex, teletype or electronic mail message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Lender.

(h) Indemnification. The Borrower hereby agrees to indemnify and hold harmless the Lender and its affiliates, and their respective directors, officers, agents and employees from and against any and all claims and damages, losses, liabilities, costs or expenses (including reasonable counsel fees and disbursements) which the Lender may incur (or which may be claimed against the Lender by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC or any actual or proposed use of any Facility LC, including, without limitation, any claims, damages, losses, liabilities, costs or expenses (including reasonable counsel fees and disbursements) which the Lender may incur by reason of or on account of the Lender issuing any Facility LC which specifies that the term "Beneficiary" included therein includes any successor by operation of law of the named Beneficiary, but which Facility LC does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to the Lender, evidencing the appointment of such successor Beneficiary; *provided* that the Borrower shall not be required to indemnify the Lender for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the Lender as determined in a final non-appealable judgment by a court of competent jurisdiction in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the Lender's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.12(h) is intended to limit the obligations of the Borrower under any other provision of this Agreement.

(i) Separate Reimbursement Agreement. In the event the Lender enters into a separate continuing reimbursement agreement with the Borrower, such reimbursement agreement shall not apply to the Facility LCs.

2.13. Limitation of Interest. Notwithstanding any provision contained herein or in any Loan Document, the total liability of the Borrower for payment of interest pursuant hereto, including late charges, shall not exceed the Highest Lawful Rate, and if any payments by the Borrower include interest in excess of the Highest Lawful Rate, the Lender shall apply the excess first to reduce the unpaid balance of the Loans, then to reduce the balance of any other Indebtedness of the Borrower to the Lender. If there is no such Indebtedness, the excess shall be returned to Borrower.

2.14. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the specified currency with such other currency at the Lender’s offices on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to the Lender hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in such other currency the Lender may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to the Lender in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss, and if the amount of the specified currency so purchased exceeds the sum originally due to the Lender in the specified currency, the Lender agrees to remit such excess to the Borrower.

### **ARTICLE III**

#### **YIELD PROTECTION; TAXES**

3.1. Yield Protection. If, on or after the date of this Agreement, there occurs any Change in Law which:

(a) subjects the Lender to any Taxes (other than with respect to Indemnified Taxes, Excluded Taxes, and Other Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(b) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Lender, or

(c) imposes any other condition (other than Taxes) the result of which is to increase the cost to the Lender of making, funding or maintaining Loans, or of issuing Facility LCs, or reduces any amount receivable by the Lender in connection with its Loans or Facility LCs, or requires the Lender to make any payment calculated by reference to the amount of Loans or Facility LCs held or interest or Facility LC Fees received by it, by an amount deemed material by the Lender,

and the result of any of the foregoing is to increase the cost to the Lender of making or maintaining the Loans or the Revolving Commitment or of issuing Facility LCs or to reduce the amount received by the Lender in connection with such Loans, Revolving Commitment or Facility LCs, then, within 15 days after demand by the Lender, the Borrower shall pay the Lender such additional amount or amounts as will compensate the Lender for such increased cost or reduction in amount received.

Failure or delay on the part of the Lender to demand compensation pursuant to this Section 3.1 shall not constitute a waiver of the Lender's right to demand such compensation.

3.2. Changes in Capital Adequacy Regulations. If the Lender determines the amount of capital or liquidity required or expected to be maintained by the Lender or any corporation or holding company controlling the Lender is increased as a result of (i) a Change in Law or (ii) any change on or after the date of this Agreement in the Risk-Based Capital Guidelines, then, within 15 days after demand by the Lender, the Borrower shall pay the Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital or liquidity which the Lender determines is attributable to this Agreement, the Revolving Exposure or the Revolving Commitment to make Loans and issue Facility LCs, as the case may be, hereunder (after taking into account the Lender's policies as to capital adequacy or liquidity), in each case that is attributable to such Change in Law or change in the Risk-Based Capital Guidelines, as applicable. Failure or delay on the part of the Lender to demand compensation pursuant to this Section 3.2 shall not constitute a waiver of the Lender's right to demand such compensation.

3.3. Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then the Borrower shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax or Other Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.3) the Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law or at the option of the Lender timely reimburse it for the payment of, any Other Taxes.

(c) The Borrower shall indemnify the Lender, within 15 days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.3) payable or paid by the Lender or required to be withheld or deducted from a payment to the Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes and Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.3, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such

payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.3 (including by the payment of additional amounts pursuant to this Section 3.3), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.3 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (e) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph (e) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(f) Each party's obligations under this Section 3.3 shall survive any assignment of rights by, or the replacement of, the Lender, the termination of the Revolving Commitment and the repayment, satisfaction or discharge of all obligations under any Loan Document.

3.4. Lender Statements; Survival of Indemnity. The Lender shall deliver a written statement of the Lender to the Borrower as to the amount due, if any, under Section 3.1, 3.2, or 3.3. Such written statement shall set forth in reasonable detail the calculations upon which the Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Unless otherwise provided herein, the amount specified in the written statement of the Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, and 3.3 shall survive payment of the Obligations and termination of this Agreement.

## ARTICLE IV

### CONDITIONS PRECEDENT

4.1. Initial Credit Extension. The Lender shall not be required to make the initial Credit Extension hereunder unless each of the following conditions is satisfied:

- (a) The Lender shall have received the following:
  - (i) This Agreement executed by the Borrower.

- (ii) The Note executed by the Borrower.
- (iii) Certificate of the Secretary or an Assistant Secretary of the Borrower certifying (i) there have been no changes in the charter document of the Borrower, as attached thereto and as certified as of a recent date by the Secretary of State (or analogous governmental entity) of the jurisdiction of its organization, since the date of the certification thereof by such governmental entity, (ii) the bylaws or other organizational document, as attached thereto, of the Borrower as in effect on the date of such certification, (iii) resolutions of the Board of Directors or other governing body of the Borrower authorizing the execution, delivery and performance of each Loan Document to which it is a party, (iv) a good standing certificate (or analogous documentation if applicable) for the Borrower from the Secretary of State (or analogous governmental entity) of the jurisdiction of its organization, to the extent generally available in such jurisdiction and (v) the names and true signatures of the incumbent officers of the Borrower authorized to sign the Loan Documents, and authorized to request a Loan or the issuance of a Facility LC under the Credit Agreement.
- (iv) If the initial Credit Extension will be the issuance of a Facility LC, a properly completed Facility LC Application.

(b) The Lender shall have received all fees and other amounts due and payable on or prior to the Effective Date, including to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(c) There shall not have occurred a Material Adverse Effect or a material adverse change in the facts and information regarding the Borrower and its Subsidiaries as represented by such entities to date.

(d) The Lender shall have received evidence of all governmental, equity holder and third party consents and approvals necessary in connection with the contemplated financing and all applicable waiting periods shall have expired without any action being taken by any authority that would be reasonably likely to restrain, prevent or impose any material adverse conditions on the Borrower and its Subsidiaries, taken as a whole, and no law or regulation shall be applicable which in the reasonable judgment of the Lender could have such effect.

(e) No action, suit, investigation or proceeding is pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that would reasonably be expected to result in a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions.

(f) The Lender shall have received: (i) pro forma financial statements giving effect to the initial Credit Extensions contemplated hereby, which demonstrate, in the Lender's

reasonable judgment, together with all other information then available to the Lender, the Borrower can repay its debts and satisfy its other obligations as and when they become due, and can comply with the financial covenants set forth in Section 6.16, (ii) such information as the Lender may reasonably request to confirm the tax, legal, and business assumptions made in such pro forma financial statements, (iii) unaudited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal quarter ended July 30, 2016, and (iv) audited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal years ended April 30, 2016, May 2, 2015, and April 26, 2014.

(g) The Lender shall have received evidence of current insurance coverage in form, scope and substance reasonably satisfactory to the Lender and otherwise in compliance with the terms of Sections 5.16 and 6.6.

(h) The Lender shall have received such other agreements, documents, instruments and certificates as may be reasonably requested by the Lender.

4.2. Each Credit Extension. The Lender shall not be required to make any Credit Extension unless on the applicable Borrowing Date:

(a) All conditions set forth in Section 4.1 have been previously satisfied or waived by the Lender.

(b) There exists no Default or Event of Default, nor would a Default or Event of Default result from such Credit Extension.

(c) The representations and warranties contained in Article V are (x) with respect to any representations or warranties that contain a materiality qualifier, true and correct in all respects as of such Borrowing Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all respects on and as of such earlier date and (y) with respect to any representations or warranties that do not contain a materiality qualifier, true and correct in all material respects as of such Borrowing Date, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all material respects on and as of such earlier date.

Each Borrowing Notice or request for issuance of a Facility LC with respect to each such Credit Extension shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2(a) and (b) have been satisfied.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender:

5.1. Existence and Standing. Each of the Borrower and its Subsidiaries is a corporation, partnership or



limited liability company duly and properly incorporated or formed, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2. Authorization and Validity. Each of the Borrower and its Subsidiaries has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by each of the Borrower and its Subsidiaries of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents to which each of the Borrower and its Subsidiaries is a party constitute legal, valid and binding obligations of the Borrower and its Subsidiaries enforceable against the Borrower and its Subsidiaries in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.3. No Conflict; Government Consent. Neither the execution and delivery by each of the Borrower and its Subsidiaries of the Loan Documents to which it is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries, (ii) the Borrower's or any Subsidiary's Constituent Documents, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. The April 30, 2016 audited consolidated financial statements of the Borrower and its Subsidiaries, and their unaudited financial statements dated as of July 30, 2016, delivered to the Lender were prepared in accordance with GAAP in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5. Material Adverse Change. Since April 30, 2016 there has been no change in the business, Property,

prospects, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

5.6. Taxes. The Borrower and its Subsidiaries have filed all United States federal and state income Tax returns and all other material Tax returns which are required to be filed by them and have paid all United States federal and state income Taxes and all other material Taxes due from the Borrower and its Subsidiaries, including, without limitation, pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such Taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No Tax Liens have been filed and no claims are being asserted with respect to any such Taxes. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any Taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. There is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of the Borrower or any of its Subsidiaries, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material Contingent Obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. ERISA. With respect to each Plan, the Borrower and all ERISA Affiliates have paid all required minimum contributions and installments on or before the due dates provided under Section 430(j) of the Code and could not reasonably be subject to a lien under Section 430(k) of the Code or Title IV of ERISA. Neither the Borrower nor any ERISA Affiliate has filed, pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, an application for a waiver of the minimum funding standard. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

5.9. Accuracy of Information. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.10. Regulation U. Margin stock (as defined in Regulation U) constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder.

5.11. Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or (ii) any agreement or instrument evidencing or governing Material Indebtedness.

5.12. Compliance With Laws. The Borrower and its Subsidiaries are in compliance in all material respects with all applicable statutes, rules, regulations, orders and restrictions of any Governmental Authority having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property.

5.13. Ownership of Properties. Except as set forth in Schedule 5.13, the Borrower and its Subsidiaries will have good title, free of all Liens, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Lender as owned by the Borrower and its Subsidiaries (other than as may have been disposed of in a manner permitted by Section 6.13(a)).

5.14. Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code) which is subject to Section 4975 of the Code, and neither the execution of this Agreement nor the making of Credit Extensions hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. The Borrower is not subject to any law, rule or regulation which is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

5.15. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

5.16. Insurance. The Borrower maintains, and has caused each Subsidiary to maintain, insurance in compliance with Section 6.6.

5.17. Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws.

(a) The Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-

Corruption Laws and applicable Sanctions in all material respects. None of the Borrower, any Subsidiary, or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees is a Sanctioned Person. No Loan or Facility LC, use of the proceeds of any Loan or Facility LC or other transactions contemplated hereby will violate Anti-Corruption Laws or applicable Sanctions.

(b) Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the PATRIOT Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The Borrower and its Subsidiaries are in compliance in all material respects with the PATRIOT Act.

5.18. Force Majeure. Since the date of the most recent financial statement referred to in Section 5.4, the business, properties and other assets of the Borrower and its Subsidiaries have Subsidiaries have not been affected in any way as the result of any fire or other casualty, strike, lockout, or other labor trouble, embargo, sabotage, confiscation, condemnation, riot, civil disturbance, activity of armed forces or act of God, in any case which could reasonably be expected to have a Material Adverse Effect.

5.19. Labor Matters. There are no pending or threatened strikes, lockouts or slowdowns against the Borrower or any Subsidiary which could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary has been or is in violation in any material respect of applicable federal, state, local or foreign law dealing with labor matters which could reasonably be expected to have a Material Adverse Effect. All material payments due from the Borrower or any Subsidiary on account of wages and employee health and welfare insurance and other benefits (in each case, except for de minimis amounts), have been paid or accrued as a liability on the books of the Borrower or such Subsidiary. The consummation of the transactions contemplated under the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound.

## ARTICLE VI

### COVENANTS

Until (a) each and all of the Obligations have been irrevocably paid and performed in full and (b) the Lender no longer has any commitment to provide any financial accommodations to the Borrower under any Loan Document:

6.1. Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Lender:

(a) Within 90 days after the close of each of its fiscal years, an unqualified (except for qualifications relating to changes in accounting principles or practices reflecting changes in GAAP) audit report, with no going concern modifier, certified by independent certified public accountants acceptable to the Lender, prepared in accordance with GAAP on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, related profit and loss and reconciliation of surplus statements, and a statement of cash flows, accompanied by (a) any management letter prepared by the accountants.

(b) Within 45 days after the close of each quarterly period of each of its fiscal years, for itself and its Subsidiaries, consolidated unaudited balance sheets as at the close of each such period and consolidated profit and loss and reconciliation of surplus statements (including sufficient detail for independent calculation of the financial covenants set forth in Section 6.16) and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief financial officer.

(c) Following a request by the Lender, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and funds flow statement) of the Borrower for such fiscal year.

(d) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(e) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Borrower or any of its Subsidiaries files with the U.S. Securities and Exchange Commission.

(f) Such other information (including non-financial information and environmental reports) as the Lender may from time to time reasonably request.

(g) Any financial statement required to be furnished pursuant to Section 6.1(a) or Section 6.1(b) shall be deemed to have been furnished on the date on which the Lender receives notice that the Borrower has filed such financial statement with the U.S. Securities and Exchange Commission and is available on the EDGAR website on the Internet at [www.sec.gov](http://www.sec.gov) or any successor government website that is freely and readily available to the Lender without charge; provided that the Borrower shall give notice of any such filing to the Lender. Notwithstanding the foregoing, the Borrower shall deliver paper or electronic copies of any such financial statement to the Lender if the Lender requests the Borrower to furnish such paper or electronic copies until written notice to cease delivering such paper or electronic copies is given by the Lender.

If any information which is required to be furnished to the Lender under this Section 6.1 is required by law or regulation to be filed by the Borrower with a government body on an earlier date, then the information required hereunder shall be furnished to the Lender at such earlier date.

6.2. Use of Proceeds. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Credit Extensions for general corporate purposes. The Borrower will not, nor will it permit any Subsidiary to, use any of the proceeds of the Loans to purchase or carry any “margin stock” (as defined in Regulation U). The Borrower will not request any Loan or Facility LC, and the Borrower shall not use, and the Borrower shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Facility LC (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (ii) in any manner that would result in the violation of any applicable Sanctions.

6.3. Notice of Material Events. The Borrower will, and will cause each Subsidiary to, give notice in writing to the Lender, promptly and in any event within five days after an officer of the Borrower obtains knowledge thereof, of the occurrence of any of the following:

(a) any Default or Event of Default;

(b) (i) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority (including pursuant to any applicable Environmental Laws) against or affecting the Borrower or any Affiliate thereof that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions and (ii) any adverse development which occurs in any litigation, arbitration or governmental investigation or proceeding previously disclosed by the Borrower or any Subsidiary that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect;

(c) with respect to a Plan, (i) any failure to pay all required minimum contributions and installments on or before the due dates provided under Section 430(j) of the Code or (ii) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard;

(d) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(e) any material change in accounting policies of, or financial reporting practices by, the Borrower or any Subsidiary;

(f) with respect to any insurance policy or policies described in Section 6.6, (i) such policy or policies shall be materially altered in a manner adverse to the Lender, or (ii) the amount of coverage thereunder shall be reduced; and

(g) any other development, financial or otherwise, which would reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section 6.3 shall be accompanied by a statement of an officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

6.4. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is conducted on the date of this Agreement and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

6.5. Taxes. The Borrower will, and will cause each Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings, with respect to which adequate reserves have been set aside in accordance with GAAP.

6.6. Insurance. The Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies, commercial property insurance on all of their Property, commercial general liability insurance, and other insurance in such amounts, subject to such deductibles and self-insurance retentions and covering such Properties and risks as is consistent with sound business practice, and the Borrower will furnish to the Lender upon request full information as to the insurance carried.

6.7. Compliance with Laws and Material Contractual Obligations. The Borrower will, and will cause each Subsidiary to, (a) comply in all material respects with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, Anti-Corruption Laws and applicable Sanctions, and (b) perform in all material respects its obligations under material agreements to which it is a party. The Borrower will not use, or allow any tenants or subtenants to use, its Property for any business activity that violates any federal or state law or that supports a business that violates any federal or state law.

6.8. Maintenance of Properties. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, ordinary wear and tear excepted, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

6.9. Books and Records; Inspection. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each Subsidiary to, permit the Lender, by its representatives and agents, at the Borrower's expense, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Lender may designate.

6.10. Permits and Licenses. Each of the Borrower and its Subsidiaries will possess all permits, contracts, licenses, trademarks, trade names, patents, copyrights and other authorizations and matters necessary to enable the Borrower and its Subsidiaries to conduct their businesses in the ordinary course, except those the absence of which could not reasonably be expected to have a Material Adverse Effect.

6.11. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations that, if not paid, would reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, and (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP.

6.12. Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, or liquidate or dissolve, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that (i) a Subsidiary may merge, consolidate, liquidate or dissolve into the Borrower (with the Borrower being the survivor thereof, (ii) a Subsidiary may merge, consolidate, liquidate or dissolve into another non-guarantor Subsidiary, and (iii) the Borrower or any Subsidiary may merge or consolidate with or into any Person other than the Borrower or a Subsidiary in order to effect a Permitted Acquisition (with the Borrower or such Subsidiary being the survivor thereof).

6.13. Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of its Property to any other Person, except:

- (a) Sales of inventory, or used, worn-out or surplus equipment, all in the ordinary course of business.



(b) The sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are applied with reasonable promptness to the purchase price of such replacement equipment.

(c) Leases, sales or other dispositions of its Property that, together with all other Property of the Borrower and its Subsidiaries previously leased, sold or disposed of (other than inventory in the ordinary course of business) as permitted by this Section 6.13(c) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs, do not constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries.

6.14. Acquisitions. The Borrower will not, nor will it permit any Subsidiary, to make any Acquisition other than a Permitted Acquisition.

6.15. Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arms-length transaction.

6.16. Financial Covenants.

(a) Adjusted Fixed Charge Coverage Ratio. The Borrower will not permit the Adjusted Fixed Charge Ratio, determined as of the end of its fiscal year for the then most-recently ended four (4) fiscal quarters, to be less than 2.0 to 1.0.

(b) IBD/EBITDA Ratio. The Borrower will not permit the ratio of its IBD to EBITDA, determined as of the end of each of its fiscal quarters for the then most-recently ended four (4) fiscal quarters, to be greater than 1.0 to 1.0.

6.17. Subsidiaries. Within a reasonable time after a Subsidiary is organized or acquired, or any Person becomes a Subsidiary pursuant to the definition thereof, or is designated by the Borrower or the Lender as a Subsidiary, the Borrower shall provide the Lender with written notice thereof setting forth information in reasonable detail describing the material assets of such Subsidiary, appropriate corporate resolutions, other corporate documentation and legal opinions, in each case in form and substance reasonably satisfactory to the Lender and its counsel, and such other documentation as the Lender may reasonably request. In addition, Borrower will, and will cause each Subsidiary to, promptly correct any defect or error that may be discovered in any Loan Document or in the execution, acknowledgment or recordation thereof.

6.18. PATRIOT Act Compliance. The Borrower shall, and shall cause each Subsidiary to, provide such information and take such actions as are reasonably requested by the Lender in order to assist the Lender in maintaining compliance with the PATRIOT Act.

6.19. Accounting Changes. The Borrower will not, and will not permit any Subsidiary to, (a) make any significant change in accounting treatment or reporting practices, except as permitted by the income-tax basis of accounting or GAAP (or except to become compliant with GAAP), or change its fiscal year, or (b) amend, modify or change any of its Constituent Documents in any manner materially adverse in any respect to the rights or interests of the Lender.

## ARTICLE VII

### DEFAULTS

The occurrence of any one or more of the following events shall constitute an Event of Default (each, an “Event of Default”):

7.1. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lender under or in connection with this Agreement, any Credit Extension, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date made or confirmed.

7.2. Upon written notice, nonpayment of (i) principal of any Loan when due, or (ii) any Reimbursement Obligation, interest upon any Loan, any Revolving Commitment Fee or Facility LC Fee, or any other obligation under any of the Loan Documents within five (5) Business Days after the same becomes due.

7.3. The breach by the Borrower of any of the terms or provisions of Section 6.2 (Use of Proceeds), 6.3 (Notice of Material Events), 6.4 (Conduct of Business), 6.6 (Insurance), 6.10 (Permits and Licenses), 6.11 (Payment of Obligations), 6.12 (Merger), 6.13 (Sale of Assets), 6.14 (Acquisitions), 6.15 (Affiliates), 6.16 (Financial Covenants), 6.17 (Subsidiaries), 6.18 (PATRIOT Act Compliance), or 6.19 (Accounting Changes).

7.4. The breach by the Borrower (other than a breach which constitutes an Event of Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within 30 days after the earlier of (i) the date the Borrower gives notice of such failure to the Lender, (ii) the date the Borrower should have given notice of such failure to the Lender pursuant to Section 6.3(a), or (iii) the date the Lender gives notice of such failure to the Borrower.

7.5. (i) Failure of the Borrower or any of its Subsidiaries to pay when due any payment (whether of principal, interest or any other amount) in respect of any Material Indebtedness, (ii) the default by the Borrower or any of its Subsidiaries in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement, or any other event shall occur or condition exist, the effect of which default, event or condition under this clause (ii) is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, any portion of such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date, or (iii) any portion of Material Indebtedness of the Borrower or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof.

7.6. The Borrower or any of its Subsidiaries shall (i) have an order for relief entered with respect to it under the federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate, limited liability company or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.6, (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7, or (vii) not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.7. Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower any of its Subsidiaries, or any Substantial Portion of their Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

7.8. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9. The Borrower or any of its Subsidiaries shall fail within 30 days to pay, obtain a stay with respect to, or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of \$1,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate, or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any of its Subsidiaries to enforce any such judgment.

7.10. (i) With respect to a Plan, the Borrower or an ERISA Affiliate is subject to a lien in excess of \$500,000 pursuant to Section 430(k) of the Code or Section 302(c) of ERISA or Title IV of ERISA, or (ii) an ERISA Event shall have occurred that, in the opinion of the Lender, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

7.11. Nonpayment by the Borrower or any Subsidiary of any Hedge Management Obligation when due or the breach by the Borrower or any Subsidiary of any term, provision or condition contained in any Hedge Management Transaction or any transaction of the type described in the definition of "Hedge Management Transactions," whether or not the Lender or Affiliate of the Lender is a party thereto.

7.12. The occurrence of any "default," as defined in any Loan Document (other than this Agreement) or the breach of any of the terms or provisions of any Loan Document (other than this Agreement), which default or breach continues beyond any period of grace therein provided.

7.13. Any Loan Document shall fail to remain in full force or effect.

7.14. Any occurrence or event that has a Material Adverse Effect.

## ARTICLE VIII

### ACCELERATION AND REMEDIES

#### 8.1. Acceleration; Remedies.

(a) If any Event of Default described in Section 7.6 or 7.7 occurs, the obligations of the Lender to make Loans hereunder and the obligation and power of the Lender to issue Facility LCs shall automatically terminate and the Obligations under this Agreement and the other Loan Documents shall immediately become due and payable without any election or action on the part of the Lender. If any other Event of Default occurs, the Lender may terminate or suspend the obligations of the Lender to make Loans hereunder and the obligation of the Lender to issue Facility LCs, or declare the Obligations under this Agreement and the other Loan Documents to be due and payable, or both, whereupon the Obligations under this Agreement and the other Loan Documents shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

(b) Upon the occurrence and during the continuation of any Event of Default, the Lender may exercise all rights and remedies under the Loan Documents and enforce all other rights and remedies under applicable law.

(c) After the exercise of remedies provided for in this Section 8.1 (or after the Obligations under this Agreement and the other Loan Documents have automatically become immediately due and payable as set forth in the first sentence of Section 8.1(a)), any amounts received by the Lender on account of the Obligations shall be applied by the Lender to the payment of the Obligations under this Agreement and the other Loan Documents and any other amounts as shall from time to time have become due and payable by the Borrower to the Lender under the Loan Documents as Lender may decide in its sole discretion.

8.2. Preservation of Rights. No delay or omission of the Lender to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of an Event of Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lender required pursuant to Section 9.1, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Lender until (a) each and all of the Obligations have been irrevocably paid and performed in full, and (b) the Lender no longer has any commitment to provide any financial accommodations to the Borrower under any Loan Document.

## ARTICLE IX

### GENERAL PROVISIONS

9.1. Modifications. Notwithstanding any provisions to the contrary herein, any term of this Agreement may be amended with the written consent of the Borrower; *provided* that no amendment, modification or waiver of any provision of this Agreement or any other Loan Document or consent to any departure therefrom by the Borrower or other party thereto shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

9.2. Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.3. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, the Lender shall not be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.4. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.5. Entire Agreement. The Loan Documents embody the entire agreement and understanding between the Borrower and the Lender and supersede all prior agreements and understandings between the Borrower and the Lender relating to the subject matter thereof.

9.6. Benefits of this Agreement. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns.

9.7. Expenses; Indemnification.

(a) The Borrower shall reimburse the Lender upon demand for all reasonable out-of-pocket expenses paid or incurred by the Lender, including, without limitation, filing and recording costs and fees, costs of any environmental review, consultants' fees, travel expenses and reasonable fees, charges and disbursements of outside counsel to the Lender in connection with the due diligence, preparation, administration, negotiation, execution, delivery, review, amendment, modification, and administration of the Loan Documents, and expenses incurred in connection with assessing and responding to any subpoena, garnishment or similar process served on the Lender relating to the Borrower, any Loan Document, or the extensions of credit evidenced thereby. The Borrower also agrees to reimburse the Lender for any costs, internal charges and out-of-pocket expenses, including, without limitation, filing and recording costs and fees, costs of any environmental review, and consultants' fees, travel expenses and reasonable fees, charges and disbursements of outside counsel

to the Lender and/or the allocated costs of in-house counsel incurred from time to time, paid or incurred by the Lender in connection with the collection and enforcement of the Loan Documents.

(b) The Borrower further agrees to indemnify and hold harmless the Lender, its affiliates, and each of their directors, officers and employees, agents and advisors (each, an “Indemnified Party”) against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, reasonable attorneys’ fees, charges and disbursements and settlement costs (including, without limitation, all expenses of litigation or preparation therefor) whether or not any Indemnified Party is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby, or any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower or any of its Subsidiaries, or the direct or indirect application or proposed application of the proceeds of any Credit Extension hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of applicable Indemnified Party. The obligations of the Borrower under this Section 9.7 shall survive the termination of this Agreement.

9.8. Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP in a manner consistent with that used in preparing the financial statements referred to in Section 5.4, except that any calculation or determination which is to be made on a consolidated basis shall be made for the Borrower and all of its Subsidiaries, including those Subsidiaries, if any, which are unconsolidated on the Borrower’s audited financial statements. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and the Borrower or the Lender shall so request, the Lender and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP, *provided* that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and the Borrower shall provide to the Lender reconciliation statements showing the difference in such calculation, together with the delivery of monthly, quarterly and annual financial statements required hereunder. In addition, notwithstanding any other provision contained herein, the definitions set forth in this Agreement and any financial calculations required by the Loan Documents shall be computed to exclude any change to lease accounting rules from those in effect pursuant to Financial Accounting Standards Board Accounting Standards Codification 840 (Leases) and other related lease accounting guidance as in effect on the date of this Agreement.

9.9. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. No Advisory or Fiduciary Responsibility; Nonliability of Lender. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees: (i) (A) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (B) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person, and (B) the Lender has no obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and the Lender has no obligation to disclose any of such interests to the Borrower or its Affiliates. The relationship between the Borrower and its Subsidiaries on the one hand and the Lender on the other hand shall be solely that of borrower and lender. The Lender shall have no fiduciary responsibilities to the Borrower or any of its Subsidiaries. To the fullest extent permitted by law, the Borrower waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby. The Lender shall have no liability with respect to, and the Borrower and each of its Subsidiaries hereby waives, releases and agrees not to sue for, any special, indirect, consequential or punitive damages suffered by the Borrower and any of its Subsidiaries in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11. Confidentiality. The Lender agrees to hold any confidential information which it may receive from the Borrower in connection with this Agreement in confidence, except for disclosure (i) to its Affiliates, and, in each case, their respective employees, directors, and officers, (ii) to legal counsel, accountants, and other professional advisors to the Lender, (iii) as provided in Section 11.1, (iv) to regulatory officials, (v) to any Person as requested pursuant to or as required by law, regulation, or legal process, (vi) to any Person in connection with any legal proceeding to which it is a party, (vii) to its direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder, (ix) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, and (x) to the extent such information (1) becomes publicly available other than as a result of a breach of this Section 9.11 or (2) becomes available to the Lender on a non-confidential basis from a source other than the Borrower. Without limiting Section 9.5, the Borrower agrees that the terms of this Section 9.11 shall set forth the entire agreement between the Borrower and the Lender with respect to any confidential information previously or hereafter received by the Lender in connection with this Agreement, and this Section 9.11 shall supersede any and all prior confidentiality agreements entered into by the Lender with respect to such confidential information.

9.12. Nonreliance. The Lender represents it is not relying on or looking to any margin stock (as defined in Regulation U) for the repayment of the Credit Extensions provided for herein.

9.13. USA PATRIOT ACT NOTIFICATION. The following notification is provided to Borrower pursuant to Section 326 of the PATRIOT Act:

The Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the PATRIOT Act.

9.14. Communication by Cellular Phone or Other Wireless Device. By providing the Lender with a telephone number for a cellular phone or other wireless device, including a number the Borrower later converts to a cellular number, the Borrower is expressly consenting to receiving communications, including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from the Lender and the Lender's affiliates and agents at that number. This express consent applies to each such telephone number that the Borrower provides to the Lender now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from the Borrower's cellular provider.

## **ARTICLE X**

### **SETOFF**

10.1. Setoff. The Borrower hereby grants the Lender a security interest in all deposits, credits and deposit accounts (including all account balances, whether provisional or final and whether or not collected or available) of the Borrower with the Lender or any Affiliate of the Lender (the "Deposits") to secure the Obligations. In addition to, and without limitation of, any rights of the Lender under applicable law, if any Event of Default occurs, the Borrower authorizes the Lender to offset and apply all such Deposits toward the payment of the Obligations owing to the Lender, whether or not the Obligations, or any part thereof, shall then be due and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to the Lender.

## **ARTICLE XI**

### **BENEFIT OF AGREEMENT; SUCCESSORS AND ASSIGNS**

11.1 Successors and Assigns.



(a) General. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns, except the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the prior written consent of the Lender. The Lender may at any time sell, assign, transfer, grant participations in, or otherwise dispose of any portion of its rights and obligations under the Loans, the Facility L/Cs, and the Loan Documents to any other Person ("Transferees"). The Lender may disclose to any Transferee and to any prospective Transferee any and all financial information in the Lender's possession concerning the Borrower or any Subsidiary which has been delivered to the Lender by or on behalf of the Borrower or any Subsidiary pursuant to this Agreement or which has been delivered to the Lender by or on behalf of the Borrower or any Subsidiary in connection with the Lender's credit evaluation of the Borrower or any Subsidiary prior to entering into this Agreement. The parties to this Agreement acknowledge that this Section 11.1 does not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by the Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank.

(b) Benefit of Certain Provisions. The Borrower agrees that each Transferee to which a participation is granted (each, a "Participant") shall be deemed to have the right of setoff provided in Section 10.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, *provided* that the Lender shall retain the right of setoff provided in Section 10.1 with respect to the amount of participating interests sold to each Participant. The Borrower further agrees that each Participant shall be entitled to the benefits of Sections 3.1, 3.2, 3.3, 3.4, and 9.6 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.1, *provided* that (i) a Participant shall not be entitled to receive any greater payment under Section 3.1 or 3.2 than the Lender would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Borrower, and (ii) a Participant shall not be entitled to receive any greater payment under Section 3.3 than the Lender would have received had it retained such interest for its own account except to the extent such entitlement to receive a greater payment results from a change in treaty, law or regulation (or any change in the interpretation or administration thereof by any Governmental Authority) that occurs after the Participant acquired the applicable participation.

## ARTICLE XII

### NOTICES

#### 12.1. Notices.

(a) Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or mailed by certified or registered mail as follows:

- (i) if to the Borrower, at 201 Daktronics Drive, Brookings, South Dakota 57006, Attention: Sheila M. Anderson; and
- (ii) if to the Lender, at 141 North Main Avenue, Sioux Falls, South Dakota 57104 Attention: Carl A. Johnson.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, except that notices to the Lender under Article II shall not be effective unless and until actually received by the Lender. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lender may be delivered or furnished by e-mail pursuant to procedures approved by the Lender. The Lender or the Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, *provided* that such determination or approval may be limited to particular notices or communications.

Unless the Lender otherwise prescribes, notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that, if such notice or email is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Change of Address. Either party may change its address for notices and other communications by notice to the other party given in the manner set forth in this Section 12.1.

### ARTICLE XIII

#### COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION; ELECTRONIC RECORDS

13.1. Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in Article IV, this Agreement shall become effective when it shall have been executed by the Lender, and when the Lender shall have received counterparts hereof which, when taken together, bear the signatures of each of the parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

13.2. Electronic Execution of Assignments; Electronic Records. The words "execution," "signed," "signature," and words of like import in any assignment and assumption agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any

applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any other state laws based on the Uniform Electronic Transactions Act. The Lender is authorized to create electronic images and to destroy paper originals of any imaged documents and any such images maintained by the Lender as a part of its normal business processes shall be given the same legal effect as the paper originals. The Lender is authorized, when appropriate, to convert any instrument into a “transferable record” under the Uniform Electronic Transactions Act (“UETA”), with the image of such instrument in the Lender’s possession constituting an “authoritative copy” under UETA.

#### ARTICLE XIV

##### CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

14.1. **CHOICE OF LAW.** THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF SOUTH DAKOTA, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

14.2. **CONSENT TO JURISDICTION.** THE BORROWER IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR STATE COURT SITTING IN SOUTH DAKOTA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE LENDER OR ANY AFFILIATE OF THE LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN SOUTH DAKOTA.

14.3. **WAIVER OF JURY TRIAL.** THE BORROWER AND THE LENDER WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

[signature page follows]



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

BORROWER:

DAKTRONICS, INC.

/s/ Reece A. Kurtenbach  
Daktronics, Inc  
Reece A. Kurtenbach  
Chief Executive Officer

/s/ Sheila M. Anderson  
Daktronics, Inc  
Sheila M. Anderson  
Chief Financial Officer

LENDER:

U.S. BANK NATIONAL ASSOCIATION

/s/ Carl A. Johnson  
U.S. Bank National Association  
Carl A. Johnson  
Vice President

**SCHEDULE 5.13**

**LIENS**

{02418409.4}

**EXHIBIT A**

**FORM OF REVOLVING NOTE**

\$ \_\_\_\_\_

Sioux Falls, South Dakota

\_\_\_\_\_

\_\_\_\_\_ (the "Borrower"), promises to pay to the order of U.S. BANK NATIONAL ASSOCIATION (the "Lender") at 141 North Main Avenue, Sioux Falls, South Dakota 57104 the principal amount of \_\_\_\_\_ and No/100 Dollars (\$ \_\_\_\_\_) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to Section 2.1(a) of the Agreement (as hereinafter defined), in immediately available funds, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay the principal of and accrued and unpaid interest on the Revolving Loans in full on the Facility Termination Date.

The Lender is hereby authorized to record in accordance with its usual practice the date and amount of each Revolving Loan and the date and amount of each principal payment hereunder.

This Revolving Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Credit Agreement dated \_\_\_\_\_ (which, as it may be amended or modified and in effect from time to time, is herein called the "Agreement"), between the Borrower and the Lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Revolving Note, including the terms and conditions under which this Revolving Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

In the event of default hereunder, the undersigned agrees to pay all costs and expenses of collection, including reasonable attorneys' fees. The undersigned waives demand, presentment, notice of nonpayment, protest, notice of protest and notice of dishonor.

THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF SOUTH DAKOTA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES APPLICABLE TO NATIONAL BANKS.

\_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**REVOLVING NOTE**

\$35,000,000.00 Sioux Falls, South Dakota

November 15, 2016

DAKTRONICS, INC., a South Dakota corporation (the "Borrower"), promises to pay to the order of U.S. BANK NATIONAL ASSOCIATION, a national banking association (the "Lender") at 141 North Main Avenue, Sioux Falls, South Dakota 57104, the principal amount of Thirty-five Million and No/100 Dollars (\$35,000,000.00) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to Section 2.1(a) of the Agreement (as hereinafter defined), in immediately available funds, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Agreement. The Borrower shall pay the principal of and accrued and unpaid interest on the Revolving Loans in full on the Facility Termination Date.

The Lender is hereby authorized to record in accordance with its usual practice the date and amount of each Revolving Loan and the date and amount of each principal payment hereunder.

This Revolving Note is the Note issued pursuant to, and is entitled to the benefits of, the Credit Agreement dated November 15, 2016 (which, as it may be amended or modified and in effect from time to time, is herein called the "Agreement"), between the Borrower and the Lender, to which Agreement reference is hereby made for a statement of the terms and conditions governing this Revolving Note, including the terms and conditions under which this Revolving Note may be prepaid or its maturity date accelerated. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Agreement.

In the event of default hereunder, the undersigned agrees to pay all costs and expenses of collection, including reasonable attorneys' fees. The undersigned waives demand, presentment, notice of nonpayment, protest, notice of protest and notice of dishonor.

THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS NOTE SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF SOUTH DAKOTA WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES APPLICABLE TO NATIONAL BANKS.

[signature page follows]

DAKTRONICS, INC.

/s/ Reece A. Kurtenbach  
Reece A. Kurtenbach, Chief Executive Officer

/s/ Sheila M. Anderson  
Sheila M. Anderson, Chief Financial Officer

STATE OF SOUTH DAKOTA)

: SS

COUNTY OF BROOKINGS)

On this the 15<sup>th</sup> day of November, 2016, before me personally appeared Reece A. Kurtenbach, known to me to be the Chief Executive Officer, and Sheila M. Anderson, known to me to be the Chief Financial Officer, of Daktronics, Inc., the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

/s/ Jan Mandel  
Notary Public - South Dakota

My Commission Expires:  
June 11, 2020

AMENDED AND RESTATED  
LOAN AGREEMENT

This Amended and Restated Loan Agreement (the “Agreement”) dated as of November 15, 2016, is between Bank of America, N.A. (the “Bank”) and Daktronics, Inc., a South Dakota corporation (the “Borrower”).

1. FACILITY NO. 1: LINE OF CREDIT AMOUNT AND TERMS

**1.1** Line of Credit Amount.

- (a) During the availability period described below, the Bank will provide a line of credit to the Borrower (the “Line of Credit”). The amount of the Line of Credit (the “Facility No. 1 Commitment”) is Twenty Million and No/100 Dollars (\$20,000,000.00).
- (b) This is a revolving line of credit. During the availability period, the Borrower may repay principal amounts and reborrow them.
- (c) The Borrower agrees not to permit the principal balance outstanding to exceed the Facility No. 1 Commitment. If the Borrower exceeds such limit, the Borrower will immediately pay the excess to the Bank upon the Bank’s demand.

**1.2** Availability Period.

The Line of Credit is available between the date of this Agreement and November 15, 2019, or such earlier date as the availability may terminate as provided in this Agreement (the “Facility No. 1 Expiration Date”).

The availability period for this Line of Credit will be considered renewed if and only if the Bank has sent to the Borrower a written notice of renewal for the Line of Credit (the “Renewal Notice”). If this Line of Credit is renewed, it will continue to be subject to all the terms and conditions set forth in this Agreement except as modified by the Renewal Notice. If this Line of Credit is renewed, the term “Expiration Date” shall mean the date set forth in the Renewal Notice as the Expiration Date and the same process for renewal will apply to any subsequent renewal of this Line of Credit. A renewal fee may be charged at the Bank’s option. The amount of the renewal fee will be specified in the Renewal Notice.

**1.3** Repayment Terms.

- (a) The Borrower will pay interest on December 1, 2016, and then on the first day of each month thereafter until payment in full of any principal outstanding under this facility.
- (b) The Borrower will repay in full any principal, interest or other charges outstanding under this facility no later than the Facility No. 1 Expiration Date.

**1.4** Interest Rate.

- (a) The interest rate is a rate per year equal to the sum of (i) the LIBOR Rate (Adjusted Periodically), plus (ii) 1.50%.
- (b) The interest rate will be adjusted on the first Banking Day of every month (the “Adjustment Date”) and remain fixed until the next Adjustment Date. If the Adjustment Date in any particular month would otherwise fall on a day that is not a banking day then, at the Bank’s option, the Adjustment Date for that particular month will be the first banking day immediately following thereafter.
- (c) The LIBOR Rate (Adjusted Periodically) is a rate of interest equal to the rate per annum equal to the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Bank), as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Bank from time to time) as determined for each Adjustment Date at approximately 11:00 a.m. London time two (2) London Banking Days prior to the Adjustment Date, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a term of one month, as adjusted from time to time in the Bank’s sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank. A “London Banking Day” is a day on which banks in London are open for business and dealing in offshore dollars. If at any time the LIBOR Rate (Adjusted Periodically) is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

## **1.5** Line of Credit Subfacilities.

### (a) Domestic Letters of Credit.

- (i) As a subfacility under the Line of Credit, during the availability period, the Bank agrees from time to time to issue or cause an affiliate to issue letters of credit for the account of the Borrower and its domestic subsidiaries (each, a “Domestic Letter of Credit” and collectively, “Domestic Letters of Credit”).
- (ii) Each Domestic Letter of Credit shall be issued for a term, as designated by the Borrower, not to exceed thirty-six (36) months from the date of issuance.

### (b) Open Ended Bank Guarantees.

- (i) As an additional subfacility under the Line of Credit, during the availability period, the Bank agrees from time to time to provide open-ended bank guarantees (each, an “Open Ended Bank Guaranty” and collectively, “Open Ended Bank Guarantees”) for the account of the Borrower or any Foreign Subsidiaries, upon terms acceptable to Bank in its sole discretion; provided however, that the aggregate drawn and undrawn amount of all Open Ended Bank Guarantees shall not at any time exceed Four Million and No/100 Dollars (\$4,000,000.00).

- (ii) The Open Ended Bank Guarantees shall be subject to annual renewal.
- (c) Alternative Borrowings.
- (i) As an additional subfacility under the Line of Credit, during the availability period, the Bank agrees from time to time to provide the Foreign Subsidiaries letters of credit, bank guarantees and other products and services ("Alternative Borrowings") from time to time requested by Borrower or such Foreign Subsidiaries, upon terms acceptable to Bank in its sole discretion.
- (ii) Each Alternative Borrowings shall be issued for a term, as designated by the Borrower, not to exceed thirty-six (36) months from the date of issuance, unless Bank, in its sole discretion, consents in writing to a longer term for any such Alternative Borrowings on terms and conditions that are satisfactory to Bank.
- (iii) The Alternative Borrowings shall be guaranteed by Borrower pursuant to that Guaranty Agreement signed of even date herewith.
- (d) Aggregate Sublimit. The aggregate amount of the sum of (i) all amounts of Domestic Letters of Credit outstanding (including the drawn and unreimbursed amounts of the Domestic Letters of Credit), (ii) the amount of any outstanding Open Ended Bank Guarantees, and (iii) the amount of any outstanding Alternative Borrowings, may not exceed, in the aggregate at any one time, the Facility No. 1 Commitment.
- (e) Form of Subfacilities. The form and substance of any and all Domestic Letters of Credit, Open Ended Bank Guarantees and Alternative Borrowings (collectively, the "Subfacilities") shall be subject to approval by the Bank, in its sole discretion. The Subfacilities shall be subject to the additional terms and conditions of any agreements, applications and any related documents required by the Bank in connection with such Subfacilities.
- (f) Advances Under Line of Credit. The undrawn amount of all Subfacilities shall be reserved under the Line of Credit and such amount shall not be available for borrowings. At the option of the Bank, any amounts paid under the Subfacilities may be deemed an advance under the Line of Credit and shall be repaid by the Borrower in accordance with the terms and conditions of this Agreement applicable to such advances; provided however, that if advances under the Line of Credit are not available, for any reason, at the time any such amount is paid by the Bank, the Borrower shall immediately pay to the Bank the full amount drawn under any Subfacilities, together with interest from the date such amount is paid to the date such amount is fully repaid by the Borrower, at the rate of interest applicable to advances under the Line of Credit. In such event the Borrower agrees that the Bank, in its sole discretion, may debit any account maintained by the Borrower with the Bank for the amount of any such drawing.
- (g) Cash Collateralize. The Borrower agrees to deposit in a cash collateral account with the Bank an amount equal to 105% of the aggregate outstanding undrawn face amount of any

letters of credit or other exposure of Bank under any Subfacilities which remain outstanding on the Facility No. 1 Expiration Date. The Borrower grants a security interest in such cash collateral account to the Bank. Amounts held in such cash collateral account shall be applied by the Bank to the payment of any amounts under such Subfacilities and to the obligations and liabilities of the Borrower to the Bank, in such order of application as the Bank may in its sole discretion elect.

- (h) As of the date of this Agreement, the Borrower and its Foreign Subsidiaries have approximately (i) Five Hundred Fifty-Eight Thousand Eight Hundred Eleven and 46/100 Dollars (\$558,811.46) in Open Ended Bank Guarantees outstanding and (ii) Six Million Three Hundred Thousand Two Hundred Ninety-One and 16/100 Dollars (\$6,300,291.16) in Alternative Borrowings outstanding. These Subfacilities shall be deemed to be outstanding under this Agreement, and shall be subject to all the terms and conditions stated in this Agreement.

## **2. LOAN ADMINISTRATION AND FEES**

### **2.1 Fees.**

The Borrower will pay to the Bank the fees set forth on Schedule A.

### **2.2 Collection of Payments.**

(a) Payments will be made by debit to a deposit account, if direct debit is provided for in this Agreement, or as otherwise authorized by the Borrower. For payments not made by direct debit, payments will be made by mail to the address shown on the Borrower's statement, or by such other method as may be permitted by the Bank.

- (b) Each disbursement by the Bank and each payment by the Borrower will be evidenced by records kept by the Bank which will be presumed to be correct and accurate and constitute an account stated between the Borrower and the Bank.

- (c) All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff.

### **2.3 Borrower's Instructions.**

Subject to the terms, conditions and procedures stated elsewhere in this Agreement, the Bank may honor instructions for advances or repayments and any other instructions under this Agreement given by the Borrower (if an individual), or by any one of the individuals the Bank reasonably believes is authorized to sign loan agreements on behalf of the Borrower, or any other individual(s) designated by any one of such authorized signers (each an "Authorized Individual"). The Bank may honor any such instructions made by any one of the Authorized Individuals, whether such instructions are given in writing or by telephone, telefax or Internet and intranet websites designated by the Bank with respect to separate products or services offered by the Bank.

## **2.4** Direct Debit.

- (a) The Borrower agrees that on the due date of any amount due under this Agreement, the Bank will debit the amount due from the deposit account with the Depository listed below (the “Designated Account”) owned by the Borrower. Should there be insufficient funds in the Designated Account to pay all such sums when due, the full amount of such deficiency shall be immediately due and payable by the Borrower. A voided copy of a check on the Designated Account has been, or will be, provided to the Bank.

DEPOSITORY NAME: U.S. Bank National Association  
Address: 141 North Main Avenue, Sioux Falls, South Dakota  
Routing Number: 091408501  
Deposit Account Number: 175095528907

(b) Debits made by ACH shall be subject to the operating rules of the National Automated Clearing House Association, as in effect from time to time.

## **2.5** Banking Days.

Unless otherwise provided in this Agreement, a banking day is a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close, or are in fact closed, in the state where the Bank’s lending office is located, and, if such day relates to amounts bearing interest at an offshore rate (if any), means any such day on which dealings in dollar deposits are conducted among banks in the offshore dollar interbank market. All payments and disbursements which would be due or which are received on a day which is not a banking day will be due or applied, as applicable, on the next banking day.

## **2.6** Interest Calculation.

Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days elapsed. This results in more interest or a higher fee than if a 365-day year is used. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid. To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

## **2.7** Default Rate.

Upon the occurrence of any default or after maturity or after judgment has been rendered on any obligation under this Agreement, all amounts outstanding under this Agreement, including any unpaid interest, fees, or costs, will at the option of the Bank bear interest at a rate which is 4.0 percentage point(s) higher than the rate of interest otherwise provided under this Agreement. This may result in compounding of interest. This will not constitute a waiver of any default.

## **2.8** Taxes.

If any payments to the Bank under this Agreement are made from outside the United States, the Borrower will not deduct any foreign taxes from any payments it makes to the Bank. If any such taxes are imposed on any payments made by the Borrower (including payments under this paragraph), the Borrower will pay the taxes and will also pay to the Bank, at the time interest is paid, any additional amount which the Bank specifies as necessary to preserve the after-tax yield the Bank would have received if such taxes had not been imposed. The Borrower will confirm that it has paid the taxes by giving the Bank official tax receipts (or notarized copies) within thirty (30) days after the due date.

### **3. CONDITIONS**

Before the Bank is required to extend any credit to the Borrower under this Agreement, it must receive any documents and other items it may reasonably require, in form and content acceptable to the Bank, including any items specifically listed below.

#### **3.1 Authorizations.**

If the Borrower or any guarantor is anything other than a natural person, evidence that the execution, delivery and performance by the Borrower and/or such guarantor of this Agreement and any instrument or agreement required under this Agreement have been duly authorized.

#### **3.2 Governing Documents.**

If required by the Bank, a copy of the Borrower's organizational documents.

#### **3.3 Guaranties.**

Guaranty signed by Borrower for the guaranty of all Alternative Borrowings of any Foreign Subsidiaries.

#### **3.4 Payment of Fees.**

Payment of all fees and other amounts due and owing to the Bank, including without limitation payment of all accrued and unpaid expenses incurred by the Bank as required by the paragraph entitled "Expenses."

#### **3.5 Good Standing.**

Certificates of good standing for the Borrower from its state of formation and from any other state in which the Borrower is required to qualify to conduct its business.

#### **3.6 Legal Opinion.**

A written opinion from the Borrower's legal counsel, covering such matters as the Bank may require. The legal counsel and the terms of the opinion must be acceptable to the Bank.



**3.7 Insurance.**

Evidence of insurance coverage, as required in the “Covenants” section of this Agreement.

**3.8 No Default.**

Evidence Satisfactory to Bank that all representations and warranties of Borrower made in this Agreement shall remain true and correct and no Default or Event of Default shall exist.

**3.9 No Material Adverse Change.**

Evidence Satisfactory to Bank that no material adverse change has occurred since July 31, 2010, in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of Borrower or its subsidiaries, taken as a whole or in the facts an information regarding such entities as represented to date.

**3.10 No Actions.**

Evidence Satisfactory to Bank of the absence of any action, suit, investigation or proceeding pending or threatened in any court or before any arbitrator or government authority that purports (a) to materially and adversely affect Borrower or its subsidiaries or (b) to affect any transaction contemplated hereby or the ability of Borrower and its subsidiaries or any other obligor under the guarantees or security documents to perform their respective obligations under the Loan Documents.

**3.11 Intercreditor Agreement.**

Receipt by Bank of an Intercreditor Agreement between Bank and US Bank on terms acceptable to Bank wherein, among other things, all debt will be cross-defaulted.

**4. REPRESENTATIONS AND WARRANTIES**

When the Borrower signs this Agreement, and until the Bank is repaid in full, the Borrower makes the following representations and warranties. Each request for an extension of credit constitutes a renewal of these representations and warranties as of the date of the request:

**4.1 Formation.**

If the Borrower is anything other than a natural person, it is duly formed and existing under the laws of the state or other jurisdiction where organized.

**4.2 Authorization.**

This Agreement, and any instrument or agreement required under this Agreement, are within the Borrower’s powers, have been duly authorized, and do not conflict with any of its organizational papers.

#### **4.3 Enforceable Agreement.**

This Agreement is a legal, valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required under this Agreement, when executed and delivered, will be similarly legal, valid, binding and enforceable.

#### **4.4 Good Standing.**

In each state in which the Borrower does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

#### **4.5 No Conflicts.**

This Agreement does not conflict with any law, agreement, or obligation by which the Borrower is bound.

#### **4.6 Financial Information.**

All financial and other information that has been or will be supplied to the Bank is sufficiently complete to give the Bank accurate knowledge of the Borrower's (and any guarantor's) financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to the Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of the Borrower (or any guarantor). If the Borrower is comprised of the trustees of a trust, the above representations shall also pertain to the trustor(s) of the trust.

#### **4.7 Subsidiaries.**

Except for the Foreign Subsidiaries, Borrower has no operating subsidiaries except Daktronics Installation, Inc., a South Dakota corporation (all of such subsidiaries being hereinafter referred to collectively as the "Subsidiaries").

"Foreign Subsidiaries" shall mean those subsidiaries set forth on Schedule 4.7 (as updated by Borrower from time to time as required under Section 5.11), as well as any other entity created or organized other than under the laws of the United States of America, any of its states, or the District of Columbia, of which a majority of the shares of securities or other interests are beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries or both, by the Borrower.

#### **4.8 Lawsuits.**

There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower which, if lost, would materially impair the Borrower's financial condition or impair the Borrower's ability to repay the loan, except as have been disclosed in writing to the Bank.

#### **4.9 Permits, Franchises.**

To the Borrower's knowledge, the Borrower possesses all permits, memberships, franchises, contracts and licenses required and all trademark rights, trade name rights, patent rights, copyrights, and fictitious name rights necessary to enable it to conduct the business in which it is now engaged.

**4.10 Other Obligations.**

The Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, except as have been disclosed in writing to the Bank.

**4.11 Tax Matters.**

The Borrower has no knowledge of any pending assessments or adjustments of its income tax for any year and all taxes due have been paid, except as have been disclosed in writing to the Bank.

**4.12 No Event of Default.**

There is no event which is, or with notice or lapse of time or both would be, a default under this Agreement.

**4.13 Insurance.**

The Borrower has obtained, and maintained in effect, the insurance coverage required in the "Covenants" section of this Agreement.

**4.14 ERISA Plans.**

(a) Each Plan (other than a multiemployer plan) is in compliance in all material respects with ERISA, the Code and other federal or state law, including all applicable minimum funding standards and there have been no prohibited transactions with respect to any Plan (other than a multiemployer plan), which has resulted or could reasonably be expected to result in a material adverse effect.

(b) With respect to any Plan subject to Title IV of ERISA:

- (i) No reportable event has occurred under Section 4043(c) of ERISA which requires notice.
- (ii) No action by the Borrower or any ERISA Affiliate to terminate or withdraw from any Plan has been taken and no notice of intent to terminate a Plan has been filed under Section 4041 or 4042 of ERISA.

(c) The following terms have the meanings indicated for purposes of this Agreement:

- (i) "Code" means the Internal Revenue Code of 1986, as amended.

- (ii) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- (iii) “ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code.
- (iv) “Plan” means a plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower or any ERISA Affiliate, including any multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

#### **4.15 Federal Reserve Regulations.**

Borrower is not engaged principally or as one of its important activities in the business of extending credit for the purpose of purchasing or carrying margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System or any successor thereto). The value of all margin stock owned by Borrower does not constitute more than 25% of the value of the assets of Borrower.

#### **4.16 Government Sanctions.**

(a) The Borrower represents that neither the Borrower, any Obligor, nor any of their respective affiliated entities, including in the case of any Borrower or Obligor that is not a natural person, subsidiaries nor, to the knowledge of the Borrower, any owner, trustee, director, officer, employee, agent, affiliate or representative of the Borrower or any Obligor is an individual or entity currently the subject of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of Treasury’s Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “Sanctions”), nor is the Borrower or any Obligor located, organized or resident in a country or territory that is the subject of Sanctions.

(b) The Borrower represents and covenants that it will not, directly or indirectly, use the proceeds of the credit provided under this Agreement, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(c) For purposes of this Agreement, the term “Person” means any natural person, corporation, partnership, limited partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

#### **4.17 Location of Borrower.**

The place of business of the Borrower (or, if the Borrower has more than one place of business, its chief executive office) is located at the address listed on the signature page of this Agreement.

### **5. COVENANTS**

The Borrower agrees, so long as credit is available under this Agreement and until the Bank is repaid in full:

#### **5.1 Use of Proceeds.**

- (a) To use the proceeds of Facility No. 1 only for operations in the ordinary course of business and for capital expenditures.
- (b) The proceeds of the credit extended under this Agreement may not be used directly or indirectly to purchase or carry any “margin stock” as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System, or extend credit to or invest in other parties for the purpose of purchasing or carrying any such “margin stock,” or to reduce or retire any indebtedness incurred for such purpose.

#### **5.2 Financial Information.**

To provide the following financial information and statements in form and content acceptable to the Bank, and such additional information as reasonably requested by the Bank from time to time. The Bank reserves the right, upon written notice to the Borrower, to require the Borrower to deliver financial information and statements to the Bank more frequently than otherwise provided below, and to use such additional information and statements to measure any applicable financial covenants in this Agreement.

- (a) Within 120 days of the fiscal year end, the annual financial statements of Borrower, certified and dated by an authorized financial officer. These financial statements shall include a balance sheet, income statement, profit and loss statement, changes in stockholders’ equity and a statement of contingent liabilities as of the end of such year, in each case in comparative form corresponding figures from the previous annual audit. These financial statements must be audited (with an opinion satisfactory to the Bank) by a Certified Public Accountant or other independent certified public accountant of recognized regional standing acceptable to the Bank. Notwithstanding the foregoing, if Borrower is in compliance with all filing requirements of the Securities and Exchange Commission (“SEC”) and timely files all of the foregoing information with the SEC, Borrower shall not be obligated to also provide such financial information to Bank.
- (b) Within 45 days after each fiscal quarter’s end (including the last fiscal quarter in each fiscal year), quarterly financial statements of Borrower, certified and dated by an authorized financial officer. These financial statements may be company-prepared, substantially similar to the annual audited statements. Notwithstanding the foregoing, if

Borrower is in compliance with all filing requirements of the SEC and timely files all of the foregoing information with the SEC, Borrower shall not be obligated to also provide such financial information to Bank.

- (c) With the delivery of each quarterly financial statements as required under Section 5.2(b) above (whether delivered to Bank or deemed delivered by Borrower's compliance with any SEC filing requirements), a compliance certificate of the Borrower, signed by an authorized financial officer and setting forth (i) the information and computations (in sufficient detail) to establish compliance with all financial covenants at the end of the period covered by the financial statements then being furnished and (ii) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any default under this Agreement applicable to the party submitting the information and, if any such default exists, specifying the nature thereof and the action the party is taking and proposes to take with respect thereto.
- (d) Promptly upon the Bank's request, such other books, records, statements, lists of property and accounts, budgets, forecasts or reports as to the Borrower and as to each guarantor of the Borrower's obligations to the Bank as the Bank may request.

### **5.3 Funded Debt to EBITDA Ratio.**

To maintain on a consolidated basis a ratio of Funded Debt to EBITDA not exceeding 1.00:1.0.

"Funded Debt" means all outstanding liabilities for borrowed money (which, for the avoidance of doubt, includes, without limitation, the face amount of all Open Ended Bank Guarantees) and other interest bearing obligations, including, without limitation, those represented by bonds, debentures, or other debt securities, excluding any long-term contractual obligations related to marketing transactions whose source of payment is underlying advertising agreements. This ratio will be calculated at the end of each reporting period for which Bank requires financial statements from Borrower, using the results of the twelve-month period ending with that reporting period.

"EBITDA" means for any period of determination, the net income of Borrower before deductions for income taxes, interest expense, depreciation and amortization, all as determined in accordance with GAAP.

### **5.4 Basic Fixed Charge Coverage Ratio.**

To maintain on a consolidated basis a Basic Fixed Charge Coverage Ratio of at least 2.00:1.0.

"Basic Fixed Charge Coverage Ratio" means the ratio of (a) EBITDA minus the sum of (i) any dividends or other distributions (excluding any share repurchases) (ii) a reserve for maintenance capital expenditures in the amount of \$6,000,000.00, and (iii) tax expense to (b) all required principal and interest payments with respect to Indebtedness (including but not limited to all payments with respect to capitalized lease obligations of Borrower). This ratio will be calculated

at the end of each fiscal year, using the results of the twelve-month period ending with that reporting period.

“Indebtedness” means all interest-bearing obligations, including those represented by bonds, debentures, or other debt securities, except principal reductions on the Revolving Note.

#### **5.5** Other Debts.

Not to have outstanding or incur any direct or contingent liabilities or lease obligations (other than those to the Bank or to any affiliate of the Bank), or become liable for the liabilities of others, including the amount of any surety bonds, performance bonds and similar instruments to the extent any draws or claims have been asserted thereunder, without the Bank’s written consent. This does not prohibit additional debts and lease obligations for business purposes which do not exceed a total principal amount of Ten Million and No/100 Dollars (\$10,000,000.00) outstanding at any one time (excepting therefrom any Indebtedness to US Bank).

#### **5.6** Other Liens.

Not to create, assume, or allow any security interest or lien (including judicial liens) on property the Borrower now or later owns, except:

- (a) Liens and security interests in favor of the Bank or any affiliate of the Bank.
- (b) Liens outstanding on the date of this Agreement disclosed in writing to the Bank; provided, that the property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted hereunder.
- (c) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP.
- (d) Carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s or other like liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person.
- (e) Pledges or deposits in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation, other than any lien imposed by ERISA.
- (f) Liens given in the ordinary course of business in connection with surety or performance bonds; provided that such Liens shall not encumber any assets of the Borrower or any Foreign Subsidiaries other than deposits given thereunder or the rights of the Borrower or Foreign Subsidiaries under the contracts supported by any such bond and any

subcontracts in connection therewith, any equipment and inventory applicable to such contracts and all proceeds of such contracts;

- (g) Easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person; and
- (h) Liens securing judgments for the payment of money not constituting an Event of Default hereunder or securing appeal or other surety bonds related to such judgments.

**5.7 Maintenance of Assets.**

(a) Not to sell, assign, lease, transfer or otherwise dispose of all or any substantial part of the Borrower's business or the Borrower's assets except for (i) sales, leases and inventory sold in the ordinary course of the Borrower's business, (ii) the sale of demonstration equipment, and (iii) the sale of advertising rights.

(b) Not to sell, assign, lease, transfer or otherwise dispose of any assets for less than fair market value, or enter into any agreement to do so.

- (c) Not to enter into any sale and leaseback agreement covering any of its fixed assets.
- (d) To maintain and preserve all rights, privileges, and franchises the Borrower now has.
- (e) To make any repairs, renewals, or replacements to keep the Borrower's properties in good working condition.

**5.8 Change of Management.**

To retain its current chief executive officer and chief financial officer.

**5.9 Change of Ownership.**

Not to cause, permit, or suffer any change in capital ownership such that the direct or indirect capital ownership of the Borrower is substantially different than exists on the date hereof.

**5.10 Additional Negative Covenants.**

Not to, without the Bank's written consent:

- (a) enter into any agreement, bond, note or other instrument with or for the benefit of any Person other than Bank which would (i) prohibit Borrower from granting, or otherwise limit the ability of Borrower to grant, to Bank any lien on any property of Borrower (other than with respect to property subject to liens permitted by Section 5.6), or (ii) require Borrower to grant a lien to any other Person if Borrower grants any lien to Bank; or



(b) acquire or purchase a business or its assets for a consideration, including assumption of direct or contingent debt, in excess of Twenty Million and No/100 Dollars (\$20,000,000.00) in the aggregate. Before making any such acquisition, the Borrower must obtain the prior, effective written consent or approval of the board of directors or equivalent governing body of the business being acquired.

#### **5.11 Notices to Bank.**

To promptly notify the Bank in writing of:

- (a) Any lawsuit in which the claim for damages exceeds One Million and No/100 Dollars (\$1,000,000.00) against the Borrower or any Obligor. To the extent Borrower discloses such litigation in its SEC filings, such filing shall be considered written notice.
- (b) Any substantial dispute between any governmental authority and the Borrower or any Obligor.
- (c) Any event of default under this Agreement, or any event which, with notice or lapse of time or both, would constitute an event of default.
- (d) Any change in the Borrower's or any Obligor's name, legal structure, principal residence, or name on any driver's license or special identification card issued by any state (for an individual), state of registration (for a registered entity), place of business, or chief executive office if the Borrower or any Obligor has more than one place of business.
- (e) Any new Foreign Subsidiaries formed, organized or acquired by Borrower, such notice to include the information required under Schedule 4.7 along with all other information required by Bank.

For purposes of this Agreement, "Obligor" shall mean any Foreign Subsidiary, guarantor, any party pledging collateral to the Bank, or, if the Borrower is comprised of the trustees of a trust, any trustor.

#### **5.12 Insurance.**

- (a) General Business Insurance. Borrower will maintain with financially sound and reputable insurance companies such insurance as may be required by law and such other insurance in such amounts and against such hazards as is customary in the case of reputable companies engaged in the same or similar business.
- (b) Evidence of Insurance. Upon the request of the Bank, to deliver to the Bank a copy of a certificate of insurance listing all insurance in force.

#### **5.13 Compliance with Laws.**

To comply with the requirements of all laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such

requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to cause a material adverse change in any Obligor's business condition (financial or otherwise), operations or properties, or ability to repay the credit, or, in the case of the Controlled Substances Act, result in the forfeiture of any material property of any Obligor.

**5.14 Books and Records.**

To maintain adequate books and records.

**5.15 Employee Benefit Plans.**

Borrower shall neither take any action, nor omit to take any action, if such action or omission would result in any of the statements set forth in Section 4.14 (including any written disclosures made by Borrower to Bank under Section 4.14) becoming inaccurate or misleading at any time while the Revolving Note and Guaranty remain outstanding.

**5.16 Payment of Taxes.**

Borrower will file all tax returns and reports which are required by law to be filed by it and will pay before they become delinquent, all taxes, assessments and governmental charges and levies imposed upon it or its property and all claims or demands of any kind (including those of suppliers, mechanics, carriers, warehousemen, landlords and other like Persons) which, if unpaid, might result in the creation of a Lien upon its property.

**5.17 Cooperation.**

To take any action reasonably requested by the Bank to carry out the intent of this Agreement.

**6. DEFAULT AND REMEDIES**

If any of the following events of default occurs, the Bank may do one or more of the following: declare the Borrower in default, stop making any additional credit available to the Borrower, and require the Borrower to repay its entire debt immediately and without prior notice. If an event which, with notice or the passage of time, will constitute an event of default has occurred and is continuing, the Bank has no obligation to make advances or extend additional credit under this Agreement. In addition, if any event of default occurs, the Bank shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, as well as all rights and remedies available at law or in equity. If an event of default occurs under the paragraph entitled "Bankruptcy/Receivers," below, with respect to the Borrower, then the entire debt outstanding under this Agreement will automatically be due immediately.

**6.1 Failure to Pay.**

The Borrower fails to make a payment under this Agreement when due and does not cure such default within 10 business days of the earlier of Borrower's knowledge of such failure to pay or written notice by the Bank.

## **6.2** Covenants.

Any default in the performance of or compliance with any obligation, agreement or other provision contained in this Agreement (other than those specifically described as an event of default in this Article), and with respect to any such default that by its nature can be cured, such default shall continue for a period of thirty (30) days from its occurrence.

## **6.3** Other Bank Agreements and Services.

- (a) Any default occurs under any guaranty, subordination agreement, security agreement, deed of trust, mortgage, or other document required by or delivered in connection with this Agreement or any such document is no longer in effect, or any guarantor purports to revoke or disavow the guaranty; or any representation or warranty made by any guarantor is false when made or deemed to be made; or
- (b) Any default occurs under any other agreement the Borrower (or any Obligor) or any of the Borrower's related entities or affiliates has with the Bank or any affiliate of the Bank. If, in the Bank's opinion, any breach under this subparagraph (b) is capable of being remedied, the breach will not be considered an event of default under this Agreement for a period of thirty (30) days after the date on which the Bank gives written notice of the breach to the Borrower.
- (c) Any default in the performance of or compliance with any obligation of Borrower (or any Obligor), or any of the Borrower's related entities or affiliates, to Bank, or any affiliate of the Bank, with respect to Cash Management Services, Hedging Obligations, Swap Obligations or other products and services.

"Cash Management Services" means any treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"Hedging Obligations" means any interest rate, currency, foreign exchange, or commodity Swap Contract.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options,

spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“Swap Obligations” means with respect to Borrower or any Foreign Subsidiary any obligation to pay or perform under any agreement, contract, including a Swap Contract, or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

#### **6.4 Cross-default.**

Any default occurs under any agreement in connection with any credit the Borrower (or any Obligor) or any of the Borrower’s Subsidiaries or related entities has obtained from anyone else or which the Borrower (or any Obligor) or any of the Borrower’s Subsidiaries or related entities has guaranteed in the amount of One Million and No/100 Dollars (\$1,000,000.00) or more in the aggregate if the default is not cured within thirty (30) days.

#### **6.5 False Information.**

The Borrower or any Obligor has given the Bank false or misleading information or representations.

#### **6.6 Bankruptcy/Receivers.**

The Borrower, any Obligor, or any general partner of the Borrower or of any Obligor files a bankruptcy petition, a bankruptcy petition is filed against any of the foregoing parties and such petition is not dismissed within a period of forty-five (45) days after the filing, or the Borrower, any Obligor, or any general partner of the Borrower or of any Obligor makes a general assignment for the benefit of creditors; or a receiver or similar official is appointed for a substantial portion of Borrower’s or any Obligor’s business; or the business is terminated, or such Obligor is liquidated or dissolved.

#### **6.7 Judgments.**

Any notice of judgment lien is filed against the Borrower or any Obligor; or a notice of levy and/or of a writ of attachment or execution, or other like process, is served against the assets of the Borrower or any Obligor in an aggregate amount of One Million and No/100 Dollars (\$1,000,000.00) or more; or any lawsuit or lawsuits are filed against the Borrower or any Obligor in which the claim for damages is in an aggregate amount of One Million and No/100 Dollars (\$1,000,00.00) or more.

#### **6.8 Material Adverse Change.**

A material adverse change occurs, or is reasonably likely to occur, in the Borrower's (or any Obligor's) business condition (financial or otherwise), operations or properties, or ability to repay the credit; or the Bank reasonably determines that it is insecure for any other reason.

**6.9 Government Action.**

Any government authority takes action that the Bank reasonably believes materially adversely affects the Borrower's or any Obligor's financial condition or ability to repay.

**6.10 Forfeiture.**

A judicial or nonjudicial forfeiture or seizure proceeding is commenced by a government authority and remains pending with respect to any property of Borrower or any part thereof, on the grounds that the property or any part thereof had been used to commit or facilitate the commission of a criminal offense by any person, including any tenant, pursuant to any law, including under the Controlled Substances Act or the Civil Asset Forfeiture Reform Act, regardless of whether or not the property shall become subject to forfeiture or seizure in connection therewith.

**6.11 ERISA Plans.**

A reportable event occurs under Section 4043(c) of ERISA, or any Plan termination (or commencement of proceedings to terminate a Plan) or the full or partial withdrawal from a Plan under Section 4041 or 4042 of ERISA occurs; provided such event or events could reasonably be expected, in the judgment of the Bank, to have a material adverse effect.

**7. ENFORCING THIS AGREEMENT; MISCELLANEOUS**

**7.1 GAAP.**

Except as otherwise stated in this Agreement, all financial information provided to the Bank and all financial covenants will be made under generally accepted accounting principles, consistently applied.

**7.2 Governing Law.**

Except to the extent that any law of the United States may apply, this Agreement shall be governed and interpreted according to the laws of Missouri (the "Governing Law State"), without regard to any choice of law, rules or principles to the contrary. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of the Bank under federal law.

**7.3 Venue and Jurisdiction.**

The Borrower agrees that any action or suit against the Bank arising out of or relating to this Agreement shall be filed in federal court or state court located in the Governing Law State. The Borrower agrees that the Bank shall not be deemed to have waived its rights to enforce this

section by filing an action or suit against the Borrower in a venue outside of the Governing Law State. If the Bank does commence an action or suit arising out of or relating to this Agreement, the Borrower agrees that the case may be filed in federal court or state court in the Governing Law State. The Bank reserves the right to commence an action or suit in any other jurisdiction where the Borrower, any Guarantor, or any collateral has any presence or is located. The Borrower consents to personal jurisdiction and venue in such forum selected by the Bank and waives any right to contest jurisdiction and venue and the convenience of any such forum. The provisions of this section are material inducements to the Bank's acceptance of this Agreement.

#### **7.4 Successors and Assigns.**

This Agreement is binding on the Borrower's and the Bank's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Bank's prior consent. The Bank may sell participations in or assign this loan and the related loan documents, and may exchange information about the Borrower and any Obligor (including, without limitation, any information regarding any hazardous substances) with actual or potential participants or assignees. If a participation is sold or the loan is assigned, the purchaser will have the right of set-off against the Borrower.

#### **7.5 Waiver of Jury Trial.**

**EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER DOCUMENTS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.**

#### **7.6 Waiver of Class Actions.**

The terms "Claim" or "Claims" refer to any disputes, controversies, claims, counterclaims, allegations of liability, theories of damage, or defenses between Bank of America, N.A., its subsidiaries and affiliates, on the one hand, and the other parties to this Agreement, on the other hand (all of the foregoing each being referred to as a "Party" and collectively as the "Parties"). Whether in state court, federal court, or any other venue, jurisdiction, or before any tribunal, the Parties agree that all aspects of litigation and trial of any Claim will take place without resort to

any form of class or representative action. Thus the Parties may only bring Claims against each other in an individual capacity and waive any right they may have to do so as a class representative or a class member in a class or representative action. **THIS CLASS ACTION WAIVER PRECLUDES ANY PARTY FROM PARTICIPATING IN OR BEING REPRESENTED IN ANY CLASS OR REPRESENTATIVE ACTION REGARDING A CLAIM.**

#### **7.7 Severability; Waivers.**

If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

#### **7.8 Expenses.**

(a) The Borrower shall pay to the Bank immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, expended or incurred by the Bank in connection with (i) the negotiation and preparation of this Agreement and any related agreements, the Bank's continued administration of this Agreement and such related agreements, and the preparation of any amendments and waivers related to this Agreement or such related agreements, (ii) filing, recording and search fees, appraisal fees, field examination fees, title report fees, and documentation fees with respect to any collateral and books and records of the Borrower or any Obligor, (iii) the Bank's costs or losses arising from any changes in law which are allocated to this Agreement or any credit outstanding under this Agreement, and (iv) costs or expenses required to be paid by the Borrower or any Obligor that are paid, incurred or advanced by the Bank.

(b) The Borrower will indemnify and hold the Bank harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (i) this Agreement or any document required hereunder, (ii) any credit extended or committed by the Bank to the Borrower hereunder, and (iii) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit, including, without limitation, any act resulting from the Bank complying with instructions the Bank reasonably believes are made by any Authorized Individual. This paragraph will survive this Agreement's termination, and will benefit the Bank and its officers, employees, and agents.

(c) The Borrower shall reimburse the Bank for any reasonable costs and attorneys' fees incurred by the Bank in connection with (i) the enforcement or preservation of the Bank's rights and remedies and/or the collection of any obligations of the Borrower which become due to the Bank and in connection with any "workout" or restructuring, and (ii) the prosecution or defense of any action in any way related to this Agreement, the credit provided hereunder or any related agreements, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing

incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by the Bank or any other person) relating to the Borrower or any other related person or entity.

#### **7.9 Set-Off.**

Upon and after the occurrence of an event of default under this Agreement, (a) the Borrower hereby authorizes the Bank at any time without notice and whether or not the Bank shall have declared any amount owing by the Borrower to be due and payable, to set off against, and to apply to the payment of, the Borrower's Indebtedness and obligations to the Bank under this Agreement and all related agreements, whether matured or unmatured, fixed or contingent, liquidated or unliquidated, any and all amounts owing by the Bank to the Borrower, and in the case of deposits, whether general or special (except trust and escrow accounts), time or demand and however evidenced, and (b) pending any such action, to hold such amounts as collateral to secure such Indebtedness and obligations of the Borrower to the Bank and to return as unpaid for insufficient funds any and all checks and other items drawn against any deposits so held as the Bank, in its sole discretion, may elect. The Borrower hereby grants to the Bank a security interest in all deposits and accounts maintained with the Bank to secure the payment of all such Indebtedness and obligations of the Borrower to the Bank.

#### **7.10 One Agreement.**

This Agreement and any related security or other agreements required by this Agreement constitute the entire agreement between the Borrower and the Bank with respect to each credit subject hereto and supersede all prior negotiations, communications, discussions and correspondence concerning the subject matter hereof. In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

#### **7.11 Notices.**

Unless otherwise provided in this Agreement or in another agreement between the Bank and the Borrower, all notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as the Bank and the Borrower may specify from time to time in writing. Notices and other communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

#### **7.12 Headings.**

Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

#### **7.13 Counterparts.**



This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be an original, and all of which when taken together shall constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement (or of any agreement or document required by this Agreement and any amendment to this Agreement) by telecopy or other electronic imaging means shall be as effective as delivery of a manually executed counterpart of this Agreement; provided, however, that the telecopy or other electronic image shall be promptly followed by an original if required by the Bank.

**7.14 Borrower Information; Reporting to Credit Bureaus.**

The Borrower authorizes the Bank at any time to verify or check any information given by the Borrower to the Bank, check the Borrower's credit references, verify employment, and obtain credit reports and other credit bureau information from time to time in connection with the administration, servicing and collection of the loans under this Agreement. The Borrower agrees that the Bank shall have the right at all times to disclose and report to credit reporting agencies and credit rating agencies such information pertaining to the Borrower and/or all guarantors as is consistent with the Bank's policies and practices from time to time in effect.

**7.15 Customary Advertising Material.**

The Borrower and each Obligor consent to the publication by the Bank of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Borrower or such Obligor.

**7.16 Amendment and Restatement of Prior Agreement.**

This Agreement is an amendment and restatement, in its entirety, of the Loan Agreement entered into as of December 23, 2010, between the Bank and the Borrower, as amended by that First Amendment to Loan Agreement dated February 1, 2011, Second Amendment to Loan Agreement dated November 15, 2011, Third Amendment to Loan Agreement dated July 2, 2012, Fourth Amendment to Loan Agreement dated November 9, 2012 and Fifth Amendment to November 15, 2013, and any indebtedness outstanding thereunder shall be deemed to be outstanding under this Agreement. Nothing in this Agreement shall be deemed to be a repayment or novation of the indebtedness, or to release or otherwise adversely affect any lien, mortgage or security interest securing such indebtedness or any rights of the Bank against any guarantor, surety or other party primarily or secondarily liable for such indebtedness.

**7.17 Amendments.**

This Agreement may be amended or modified only in writing signed by each party hereto.

**7.18 ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO**

**PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

This Agreement is executed as of the date stated at the top of the first page.

Bank of America, N.A. Daktronics, Inc.

/s/ Alok Jain /s/ Reece A. Kurtenbach  
Bank of America, N.A. Daktronics, Inc.  
Alok Jain Reece A. Kurtenbach  
Vice President Chief Executive Officer

/s/ Sheila M. Anderson  
Daktronics, Inc.  
Sheila M. Anderson  
Chief Financial Officer

Address where notices to the Bank are to be sent: Address where notices to the Borrower are to be sent:

1200 Main Street 331 – 32nd Avenue  
MO8-060-12-02 Brookings, South Dakota 57006  
Kansas City, Missouri 64105 Attention: Sheila M. Anderson  
Attention: Alok Jain, Vice President Telephone:  
Telephone: 816.292.4241 Facsimile: 605.697.4000  
Facsimile: 816.292.4413 Email: Sheila.Anderson@daktronics.com  
Email: alok.jain@baml.com

***Federal law requires Bank of America, N.A. (the “Bank”) to provide the following notice. The notice is not part of the foregoing agreement or instrument and may not be altered. Please read the notice carefully.***

#### **USA PATRIOT ACT NOTICE**

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account or obtains a loan. The Bank will ask for the Borrower’s legal name, address, tax ID number or social security number and other identifying information. The Bank may also ask for additional information or documentation or take other actions reasonably necessary to verify the identity of the Borrower, guarantors or other related persons.

1.

[Signature Page to Amended and Restated Loan Agreement]

## SCHEDULE A

### FEES

- (a) Facility No. 1 Loan Fee. The Borrower agrees to pay a loan fee for Facility No. 1 in the amount of Twenty Thousand and No/100 Dollars (\$20,000.00). This fee is due in three (3) annual installments of Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$6,666.67) on each of the date of this Agreement, November 15, 2017 and November 15, 2018.
- (b) Unused Commitment Fee. The Borrower agrees to pay a fee on any difference between the Facility No. 1 Commitment and the amount of credit it actually uses, determined by the daily amount of credit outstanding during the specified period. The fee will be calculated at 0.15% per year. This fee is due on December 30, 2016 and on the same day of each following quarter until the expiration of the availability period.
- (c) Fronting Fee. The Borrower shall pay the Bank a nonrefundable fee equal to: (a) with respect to each letter of credit or bank guaranty, 0.125% of the stated amount of such letter of credit or bank guaranty, payable upon the issuance thereof, and (b) with respect to each letter of credit or bank guaranty issued and outstanding, 1.00% per annum of the amount available to be drawn under such letter of credit or bank guaranty, payable quarterly in advance, calculated on the basis of the face amount outstanding on the day the fee is calculated. In addition, the Borrower shall pay the Bank its customary documentation fees, including, without limitation, in respect of any amendments, modifications, extensions, renewals and draws, as applicable, of or on any letter of credit or bank guaranty.
- (d) Waiver Fee. If the Bank, at its discretion, agrees to waive or amend any terms of this Agreement, the Borrower will, at the Bank's option, pay the Bank a fee for each waiver or amendment in an amount advised by the Bank at the time the Borrower requests the waiver or amendment. Nothing in this paragraph shall imply that the Bank is obligated to agree to any waiver or amendment requested by the Borrower. The Bank may impose additional requirements as a condition to any waiver or amendment.
- (e) Late Fee. To the extent permitted by law, the Borrower agrees to pay a late fee in an amount not to exceed four percent (4%) of any payment that is more than fifteen (15) days late. The imposition and payment of a late fee shall not constitute a waiver of the Bank's rights with respect to the default.

## SCHEDULE 4.7

## FOREIGN SUBSIDIARIES

<b>Full Legal Name</b>	<b>Country of Formation</b>	<b>Principal Place of Business</b>	<b>Tax Identification Number</b>	<b>Borrower Ownership Percentage</b>
Daktronics Canada, Inc.	Canada			100%
Daktronics, GmbH	Germany			100%
Daktronics UK, Ltd.	Great Britain			100%
Daktronics Shanghai Ltd.	Peoples Republic of China			100%
Daktronics France SARL	France			100%
Daktronics Australia Pty Ltd.	Australia			100%
Daktronics Japan, Inc.	Japan			100%
Daktronics HK Limited	Hong Kong			100%
Daktronics (International) Limited	Macau			100%
Daktronics Singapore Pte. Ltd.	Singapore			100%
Daktronics Spain S.L.	Spain			100%
Daktronics Brazil, Ltda.	Brazil			100%
Daktronics Belgium N.V.	Belgium			100%
Daktronics Ireland Co. Ltd.	Ireland			100%
Daktronics Ireland Holdings Ltd	Ireland			100%
ADFLOW Networks, Inc.	Canada			100%



GUARANTOR: Daktronics, Inc.

## CONTINUING AND UNCONDITIONAL GUARANTY

WHEREAS, Daktronics, Inc., a South Dakota corporation (“Guarantor”), and Bank of America, N.A., its subsidiaries and affiliates (collectively, “Bank”), entered into an Amended and Restated Loan Agreement dated of even date herewith (as amended, restated, supplemented or modified from time to time the “Loan Agreement”), pursuant to which, among other things, Bank has agreed to make a revolving loan to Guarantor (the “Loan”). Capitalized terms not defined herein shall have the meaning given to them in the Loan Agreement.

WHEREAS, Section 1.5(c) of the Loan Agreement provides that Bank agrees to make Alternative Borrowings available to the Foreign Subsidiaries, provided that, among other conditions, Guarantor agrees to unconditionally and without limitation guarantee such Alternative Borrowings of the Foreign Subsidiaries.

WHEREAS, Guarantor and Bank have previously entered into that Unlimited Guaranty Agreement dated December 23, 2010, as amended by that certain Reaffirmation of and First Amendment to Unlimited Guaranty Agreement dated July 2, 2012, that certain Reaffirmation of and Second Amendment to Unlimited Guaranty Agreement dated November 9, 2012, and that certain Reaffirmation of and Third Amendment to Unlimited Guaranty Agreement dated November 15, 2013 (the “Existing Guaranty”).

WHEREAS, Bank is willing to consider Alternative Borrowings for the Foreign Subsidiaries on the terms and conditions under the Loan Agreement if Guarantor executes and delivers this Guaranty as an amendment and restatement of the Existing Guaranty.

NOW, THEREFORE, in consideration of the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged, the Guarantor agrees as follows:

1. The Guaranty. For valuable consideration, the Guarantor hereby unconditionally guarantees and promises to pay promptly to Bank, or order, in lawful money of the United States, any and all Indebtedness of the Foreign Subsidiaries to Bank when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter. The liability of Guarantor under this Guaranty is not limited as to the principal amount of the Indebtedness guaranteed and includes, without limitation, liability for all interest, fees, indemnities, and other costs and expenses relating to or arising out of the Indebtedness and for all swap, derivative, foreign exchange or hedge or other similar transaction or arrangement (“Swap Obligations”) now or hereafter owing from the Foreign Subsidiaries to Bank. No Guarantor will be deemed to be a guarantor of any Swap Obligation to the extent that such Guarantor is not an Eligible Contract Participant at the time such guaranty becomes effective with respect to such Swap Obligations as set forth in the Commodities Exchange Act (7 U.S.C., Sec. 1, et. seq.). The liability of Guarantor is continuing and relates to any

Indebtedness, including that arising under successive transactions which shall either continue the Indebtedness or from time to time renew it after it has been satisfied. This Guaranty is cumulative and does not supersede any other outstanding guaranties, and the liability of Guarantor under this Guaranty is exclusive of Guarantor's liability under any other guaranties signed by Guarantor, with the exception of the Existing Guaranty, which is amended and restated in its entirety by this Guaranty. If multiple individuals or entities sign this Guaranty, their obligations under this Guaranty shall be joint and several. "Indebtedness" shall mean and includes any and all advances, debts, obligations and liabilities of the Foreign Subsidiaries, or any of them, previously, now or later made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, direct or indirect, determined or undetermined, including Alternative Borrowings, Cash Management Services, Hedge Obligations, Swap Obligations and other obligations under any deposit, treasury management or other similar transaction or arrangement, and whether any of the Foreign Subsidiaries may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or later becomes unenforceable.

2. Obligations Independent. The obligations under this Guaranty are independent of the obligations of the Foreign Subsidiaries or any other guarantor, and a separate action or actions may be brought and prosecuted against Guarantor whether action is brought against the Foreign Subsidiaries or any other guarantor or whether the Foreign Subsidiaries or any other guarantor be joined in any such action or actions.

3. Rights of Bank. Guarantor authorizes Bank (whether or not after revocation or termination of this Guaranty), without notice or demand and without affecting its liability hereunder, from time to time to:

(a) renew, compromise, extend, accelerate, or otherwise change or extend (for a period less than, equal to or longer than the original period) the time for payment, or otherwise change the manner, place or terms of payment or of the Indebtedness or any part thereof, including increase or decrease of the rate of interest, or otherwise change the terms of any Bank Agreements;

(b) receive and hold security for the payment of this Guaranty or any Indebtedness and exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any such security by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Indebtedness or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) apply such security and direct the order or manner of sale thereof as Bank in its discretion may determine;

(d) exercise or refrain from exercising any rights against any Foreign Subsidiaries or Guarantor, or otherwise act or refrain from acting;

(e) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities (regardless of the origin thereof) to Bank, regardless of the nature of the liability

or liabilities which remain unpaid and regardless of any of the Foreign Subsidiaries' or Guarantor's application or use of the consideration, if any, received in connection with such liability or liabilities;

(f) release or substitute any Guarantor or any one or more of any endorsers or other guarantors of any of the Indebtedness; and

(g) permit the Indebtedness to exceed Guarantor's liability under this Guaranty, and Guarantor agrees that any amounts received by Bank from any source other than Guarantor shall be deemed to be applied first to any portion of the Indebtedness not guaranteed by Guarantor.

4. Guaranty to be Absolute. Guarantor agrees that until the Indebtedness has been paid in full in immediately available funds and any commitments of Bank or facilities provided by Bank with respect to the Indebtedness have been terminated, Guarantor shall not be released by or because of the taking, or failure to take, any action that might in any manner vary, discharge or otherwise reduce, limit, or modify Guarantor's obligations under this Guaranty. Guarantor waives and surrenders any defense to any liability under this Guaranty based upon any such action, including but not limited to any action of Bank described in the immediately preceding paragraph of this Guaranty. It is the express intent of Guarantor that Guarantor's obligations under this Guaranty are and shall be absolute and unconditional. This is a guaranty of payment and not merely a guaranty of collection. If this Guaranty is revoked, returned, or canceled, and subsequently any payment or transfer of any interest in property by the Foreign Subsidiaries to Bank is rescinded or must be returned by Bank to the Foreign Subsidiaries, this Guaranty shall be reinstated with respect to any such payment or transfer, regardless of any such prior revocation, return, or cancellation; and any guaranty of any indemnities, shall survive any termination of this Guaranty. In the event of the death of a Guarantor, the liability of the estate of the deceased Guarantor shall continue in full force and effect as to (i) the Indebtedness existing at the date of death, and any renewals or extensions, and (ii) loans or advances made to or for the account of the Foreign Subsidiaries after the date of the death of the deceased Guarantor pursuant to a commitment made by Bank to the Foreign Subsidiaries prior to the date of such death. As to all surviving Guarantors, this Guaranty shall continue in full force and effect after the death of a Guarantor, not only as to the Indebtedness existing at that time, but also as to the Indebtedness later incurred by the Foreign Subsidiaries to Bank. In the event that acceleration of the time for payment of any of the Indebtedness is stayed upon the insolvency, bankruptcy, or reorganization of the Foreign Subsidiaries or otherwise, all such Indebtedness guaranteed by Guarantor shall nonetheless be payable by Guarantor immediately if requested by Bank.

5. Guarantor's Waivers of Certain Rights and Certain Defenses. Guarantor waives:

(a) any right to require Bank to:

(i) proceed against the Foreign Subsidiaries or any other person;



(ii) marshal assets or proceed against or exhaust any security held from any of the Borrowers or any other person;

(iii) give notice of the terms, time and place of any public or private sale or other disposition of personal property security held from the Foreign Subsidiaries or any other person;

(iv) take any other action or pursue any other remedy in Bank's power; or

(v) make any presentment or demand for performance, or give any notice of nonperformance, acceleration, protest, notice of protest or notice of dishonor hereunder or in connection with any obligations or evidences of indebtedness held by Bank as security for or which constitute in whole or in part the Indebtedness guaranteed hereunder, or in connection with the creation of new or additional Indebtedness, or give any notice of acceptance of this Guaranty, or notices of any fact that might increase Guarantor's risk.

(b) any defense to its obligations under this Guaranty based upon or arising by reason of:

(i) any disability or other defense of the Foreign Subsidiaries or any other person;

(ii) the cessation or limitation from any cause whatsoever, other than payment in full, of the Indebtedness of the Foreign Subsidiaries or any other person;

(iii) any lack of authority of any officer, director, partner, agent or any other person acting or purporting to act on behalf any Foreign Subsidiaries which are a corporation, partnership or other type of entity, or any defect in the formation of the Foreign Subsidiaries;

(iv) the application by the Foreign Subsidiaries of the proceeds of any Indebtedness for purposes other than the purposes represented by the Foreign Subsidiaries to, or intended or understood by, Bank or Guarantor;

(v) any act or omission by Bank which directly or indirectly results in or aids the discharge of the Foreign Subsidiaries or any portion of the Indebtedness by operation of law or otherwise, or which in any way impairs or suspends any rights or remedies of Bank against the Foreign Subsidiaries;

(vi) any impairment of the value of any interest in any security for the Indebtedness, including without limitation, the failure to obtain or maintain perfection or recordation of any interest in any such security, the release of any such

security without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such security;

(vii) any modification of the Indebtedness, in any form whatsoever, including any modification made after revocation hereof to any Indebtedness incurred prior to such revocation, and including without limitation the renewal, extension, acceleration or other change in time for payment of, or other change in the terms of, the Indebtedness, including increase or decrease of the rate of interest;

(viii) any requirement that Bank give any notice of acceptance of this Guaranty;

(ix) any defense based on any claim that Guarantor's obligations exceed or are more burdensome than those of the Foreign Subsidiaries;

(x) the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty; or

(xi) any election of remedies by Bank, even though that election of remedies, such as a non-judicial foreclosure with respect to any security for any portion of the Indebtedness, destroys Guarantor's rights of subrogation or Guarantor's rights to proceed against the Foreign Subsidiaries for reimbursement.

(c) until the Indebtedness has been paid in full and any commitments of Bank or facilities provided by Bank with respect to the Indebtedness have been terminated, even though the Indebtedness may be in excess of Guarantor's liability hereunder, to the extent permitted by applicable law, any right of subrogation, reimbursement, indemnification, and contribution (contractual, statutory, or otherwise).

No provision or waiver in this Guaranty shall be construed as limiting the generality of any other waiver contained in this Guaranty.

6. Lien and Setoff. Guarantor grants to Bank a continuing lien, security interest, and right of setoff as security for all of Guarantor's liabilities and obligations to Bank, whether now existing or later arising, upon and against all the deposits, credits, collateral and property of Guarantor (other than clients' trust and other fiduciary accounts or escrows) now or hereafter in the possession, custody, or control of Bank or any entity under the control of Bank of America Corporation and its successors and assigns or in transit to any of them. At any time, without further demand or notice (any such notice being expressly waived by Guarantor), Bank may set off the same or any part thereof and apply the same to any liability or obligation of Guarantor even though unmatured and regardless of the adequacy of any other collateral securing this Guaranty. **TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LIABILITIES PRIOR TO EXERCISING ITS RIGHT OF SET OFF WITH**

**RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF GUARANTOR, ARE VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVED.**

7. Subordination. Any obligations of the Foreign Subsidiaries to Guarantor, now or hereafter existing, including but not limited to any obligations to Guarantor as subrogee of Bank or resulting from Guarantor's performance under this Guaranty, are hereby subordinated to the Indebtedness. Guarantor agrees that, if Bank so requests, Guarantor shall not demand, take, or receive from the Foreign Subsidiaries, by setoff or in any other manner, payment of any other obligations of the Foreign Subsidiaries to Guarantor until the Indebtedness has been paid in full and any commitments of Bank or facilities provided by Bank with respect to the Indebtedness have been terminated. If any payments are received by Guarantor in violation of such waiver or agreement, such payments shall be received by Guarantor as trustee for Bank and shall be paid over to Bank on account of the Indebtedness, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty. Any security interest, lien, or other encumbrance that Guarantor may now or hereafter have on any property of the Foreign Subsidiaries is hereby subordinated to any security interest, lien, or other encumbrance that Bank may have on any such property.

8. Revocation of Guaranty.

(a) This Guaranty may be revoked at any time by Guarantor in respect to future transactions. Such revocation shall be effective upon actual receipt by Bank, at the address shown below or at such other address as may have been provided to Guarantor by Bank, of written notice of revocation. Revocation shall not affect any of Guarantor's obligations or Bank's rights with respect to transactions committed or entered into prior to Bank's receipt of such notice, nor shall it affect Guarantor's obligations with respect to any indemnities, executed prior to Bank's receipt of such notice.

(b) Guarantor acknowledges and agrees that this Guaranty may be revoked only in accordance with the foregoing provisions of this paragraph and shall not be revoked simply as a result of any change in name, location, ownership or composition or structure of the Foreign Subsidiaries, or the dissolution of the Foreign Subsidiaries.

9. Extent of Guaranty. If Guarantor is a subsidiary or affiliate of the Foreign Subsidiaries, Guarantor's liability hereunder shall not exceed at any one time the largest amount during the period commencing with Guarantor's execution of this Guaranty and thereafter that would not render Guarantor's obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code (Title 11, United States Code) or any comparable provisions of any applicable state law.

10. Taxes.

(a) Guarantor represents and warrants that it is organized and resident in the United States of America. All payments by Guarantor hereunder shall be paid in full, without setoff or counterclaim or any deduction or withholding whatsoever, including, without

limitation, for any and all present and future taxes. If Guarantor must make a payment under this Guaranty, Guarantor represents and warrants that it will make the payment from one of its U.S. resident offices to Bank so that no withholding tax is imposed on the payment. Notwithstanding the foregoing, if Guarantor makes a payment under this Guaranty to which withholding tax applies or if any taxes (other than taxes on net income (i) imposed by the country or any subdivision of the country in which Bank's principal office or actual lending office is located and (ii) measured by the United States taxable income Bank would have received if all payments under or in respect of this Guaranty were exempt from taxes levied by Guarantor's country) are at any time imposed on any payments under or in respect of this Guaranty including, but not limited to, payments made pursuant to this paragraph, Guarantor shall pay all such taxes to the relevant authority in accordance with applicable law such that Bank receives the sum it would have received had no such deduction or withholding been made (or, if Guarantor cannot legally comply with the foregoing, Guarantor shall pay to Bank such additional amounts as will result in Bank receiving the sum it would have received had no such deduction or withholding been made). Further, Guarantor shall also pay to Bank, on demand, all additional amounts that Bank specifies as necessary to preserve the after-tax yield Bank would have received if such taxes had not been imposed.

(b) Guarantor shall promptly provide Bank with an original receipt or certified copy issued by the relevant authority evidencing the payment of any such amount required to be deducted or withheld.

11. Information Relating to the Foreign Subsidiaries. Guarantor acknowledges and agrees that it has made such independent examination, review, and investigation of the Bank Agreements as Guarantor deems necessary and appropriate, and shall have sole responsibility to obtain from the Foreign Subsidiaries any information required by Guarantor about any modifications to the Bank Agreements. Guarantor further acknowledges that Bank has no duty, and Guarantor is not relying on Bank, at any time to disclose to Guarantor any information relating to the business operations or financial condition of the Foreign Subsidiaries. "Bank Agreements" shall mean all agreements, documents, and instruments evidencing any of the Indebtedness, including but not limited to all loan agreements between the Foreign Subsidiaries and Bank and promissory notes from the Foreign Subsidiaries in favor of Bank, and all deeds of trust, mortgages, security agreements, and other agreements, documents, and instruments executed by the Foreign Subsidiaries in connection with the Indebtedness, all as now in effect and as hereafter amended, restated, renewed, or superseded.

12. Foreign Subsidiaries' Authorization. Where any of the Foreign Subsidiaries are a corporation, partnership, or limited liability company, it is not necessary for Bank to inquire into the powers of the Foreign Subsidiaries or of the officers, directors, partners, members, managers, or agents acting or purporting to act on their behalf, and any Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty, subject to any limitations on Guarantor's liability set forth in this Guaranty.

13. Guarantor Information; Reporting to Credit Bureaus. Guarantor authorizes Bank to verify or check any information given by Guarantor to Bank, check Guarantor's credit references, verify employment, and obtain credit reports. Guarantor shall provide such financial statements and other financial information about Guarantor as Bank may request from time to time. Guarantor agrees that Bank shall have the right at all times to disclose and report to credit reporting agencies and credit rating agencies such information pertaining to the Indebtedness and/or Guarantor as is consistent with Bank's policies and practices from time to time in effect. Guarantor acknowledges and agrees that the authorizations provided in this paragraph apply to any individual general partner of Guarantor and to Guarantor's spouse and any such general partner's spouse if Guarantor or such general partner is married and lives in a community property state.

14. Foreign Currency.

(a) If any claim arising under or related to this Guaranty is reduced to judgment denominated in a currency (the "Judgment Currency") other than the currency or currencies in which the guaranteed Indebtedness is denominated (individually, an "Obligation Currency"), the judgment shall be for the equivalent in the Judgment Currency of the amount of the claim denominated in each Obligation Currency included in the judgment, determined as of the date of judgment. The equivalent of any Obligation Currency amount in any Judgment Currency shall be calculated at the spot rate for the purchase of the Obligation Currency with the Judgment Currency quoted by Bank in the place of Bank's choice at or about 8:00 a.m. on the date for determination specified above. Guarantor shall indemnify Bank and hold Bank harmless from and against all loss or damage resulting from any change in exchange rates between the date any claim is reduced to judgment and the date of payment thereof by Guarantor.

(b) The obligations hereunder shall not be affected by any acts of any governmental authority affecting the Foreign Subsidiaries including, without limitation, any restrictions on the conversion of currency or repatriation or control of funds or any total or partial expropriation of the Foreign Subsidiaries' property, or by economic, political, regulatory, or other events in the countries where the Foreign Subsidiaries are located. If Bank so notifies Guarantor in writing, at Bank's sole and absolute discretion, payments under this Guaranty shall be made in the U.S. Dollar equivalent of any guaranteed Indebtedness that is denominated in an Obligation Currency, determined as of the date payment is made.

15. Change of Status. Any Guarantor that is a business entity shall not enter into any consolidation, merger, or other combination unless Guarantor is the surviving business entity. Further, Guarantor shall not change its legal structure unless (a) Guarantor obtains the prior written consent of Bank and (b) all Guarantors' obligations under this Guaranty are assumed by the new business entity.

16. Remedies. If Guarantor fails to fulfill its duty to pay all Indebtedness guaranteed hereunder or shall breach or fail to comply with any term or provision of this Guaranty, Bank shall have all of the remedies of a creditor and, to the extent applicable, of a secured party, under all

applicable law. Without limiting the foregoing to the extent permitted by law, Bank may, at its option and without notice or demand:

(a) declare any Indebtedness due and payable at once;

(b) take possession of any collateral pledged by the Foreign Subsidiaries or Guarantor, wherever located, and sell, resell, assign, transfer, and deliver all or any part of the collateral at any public or private sale or otherwise dispose of any or all of the collateral in its then condition, for cash or on credit or for future delivery, and in connection therewith Bank may impose reasonable conditions upon any such sale. Further, Bank, unless prohibited by law the provisions of which cannot be waived, may purchase all or any part of the collateral to be sold, free from and discharged of all trusts, claims, rights of redemption and equities of the Foreign Subsidiaries or Guarantor whatsoever. Guarantor acknowledges and agrees that the sale of any collateral through any nationally recognized broker-dealer, investment banker, or any other method common in the securities industry shall be deemed a commercially reasonable sale under the Uniform Commercial Code of the Governing Law State or any other equivalent statute or federal law, and expressly waives notice thereof except as provided in this Guaranty; and

(c) set off and apply any and all deposit accounts of Guarantor held by Bank or its affiliates against any and all obligations of Guarantor owing to Bank. The set-off may be made irrespective of whether or not Bank shall have made demand under this Guaranty, and although such obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit accounts and without regard for the availability or adequacy of other collateral. If exercised by Bank, Bank shall be deemed to have exercised such right of setoff and to have made a charge against any such money immediately upon the occurrence of such default although made or entered on the books after such default.

17. Notices. All notices required under this Guaranty shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Guaranty, or sent by facsimile to the fax numbers listed on the signature page, or to such other addresses as Guarantor may specify from time to time in writing. Notices and other communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

18. Successors and Assigns. This Guaranty (a) binds Guarantor and Guarantor's executors, administrators, successors, and assigns, provided that Guarantor may not assign its rights or obligations under this Guaranty without the prior written consent of Bank, and (b) inures to the benefit of Bank and Bank's indorsees, successors, and assigns. Bank may, without notice to Guarantor and without affecting Guarantor's obligations, sell participations in, or assign the Indebtedness and this Guaranty, in whole or in part and may exchange information about Guarantor to any actual or potential participants or assignees.

19. Amendments, Waivers, and Severability. No provision of this Guaranty may be amended or waived except in writing. No failure by Bank to exercise, and no delay in exercising, any of its rights, remedies, or powers shall operate as a waiver of such rights, remedies or powers, and no single or partial exercise of any such right, remedy, or power shall preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The unenforceability or invalidity of any provision of this Guaranty shall not affect the enforceability or validity of any other provision of this Guaranty.

20. Costs and Expenses. Guarantor agrees to pay all reasonable attorneys' fees and all other costs and expenses that may be incurred by Bank (a) in the enforcement of this Guaranty or (b) in the preservation, protection, or enforcement of any rights of Bank in any case commenced by or against Guarantor under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute.

21. Representations and Warranties. When Guarantor signs this Guaranty, and until the Indebtedness is repaid in full and any commitments or facilities provided by Bank with respect to the Indebtedness have been terminated, Guarantor makes the following representations and warranties:

(a) If Guarantor is anything other than a natural person, it is duly formed and existing under the laws of the state or other jurisdiction where organized.

(b) This Guaranty, and any instrument or agreement required hereunder, are within Guarantor's powers, have been duly authorized, and do not conflict with any of its organizational papers.

(c) In each state in which Guarantor does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

(d) All financial and other information that has been or will be supplied to Bank is sufficiently complete to give Bank accurate knowledge of Guarantor's financial condition, including all material contingent liabilities. Since the date of the most recent financial statement provided to Bank, there has been no material adverse change in the business condition (financial or otherwise), operations, properties or prospects of Guarantor. If Guarantor is comprised of the trustees of a trust, the foregoing representations shall also pertain to the trustor(s) of the trust.

(e) There is no lawsuit, tax claim or other dispute pending or threatened against Guarantor which, if lost, would impair Guarantor's financial condition or ability to repay the Indebtedness, except as have been disclosed in writing to Bank.

(f) Guarantor is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, except as have been disclosed in writing to Bank.

(g) Guarantor has no knowledge of any pending assessments or adjustments of its income tax for any year and all taxes due have been paid, except as have been disclosed in writing to Bank.

(h) There is no event which is, or with notice or lapse of time or both would be, a default by Guarantor under this Guaranty or under any other instrument or agreement executed in connection with the Indebtedness or this Guaranty.

(i) Guarantor will not be rendered insolvent by the execution, delivery, and performance of its obligations under this Guaranty.

(j) Guarantor, if a natural person, has obtained any spousal or other consents or waivers which may be required by applicable law.

22. Governing Law. Except to the extent that any law of the United States may apply, this Guaranty shall be governed and interpreted according to the laws of Missouri (the "Governing Law State"), without regard to any choice of law, rules or principles to the contrary. Nothing in this paragraph shall be construed to limit or otherwise affect any rights or remedies of Bank under federal law.

23. Venue and Jurisdiction. Guarantor agrees that any action or suit against Bank arising out of or relating to this Guaranty shall be filed in federal court or state court located in the Governing Law State. Guarantor agrees that Bank shall not be deemed to have waived its rights to enforce this section by filing an action or suit against Guarantor in a venue outside of the Governing Law State. If Bank does commence an action or suit arising out of or relating to this Guaranty, Guarantor agrees that the case may be filed in federal court or state court in the Governing Law State. Bank reserves the right to commence an action or suit in any other jurisdiction where the Foreign Subsidiaries, any Guarantor, or any collateral has any presence or is located. Guarantor consents to personal jurisdiction and venue in such forum selected by Bank and waives any right to contest jurisdiction and venue and the convenience of any such forum. The provisions of this section are material inducements to Bank's acceptance of this Guaranty.

24. Waiver of Jury Trial. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY AND THE OTHER DOCUMENTS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS,**



**THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND (c) CERTIFIES THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE.**

25. Waiver of Class Actions. The terms “Claim” or “Claims” refer to any disputes, controversies, claims, counterclaims, allegations of liability, theories of damage, or defenses between Bank of America, N.A., its subsidiaries and affiliates, on the one hand, and the parties to this Guaranty, on the other hand (all of the foregoing each being referred to as a “Party” and collectively as the “Parties”). Whether in state court, federal court, or any other venue, jurisdiction, or before any tribunal, the Parties agree that all aspects of litigation and trial of any Claim will take place without resort to any form of class or representative action. Thus the Parties may only bring Claims against each other in an individual capacity and waive any right they may have to do so as a class representative or a class member in a class or representative action. **THIS CLASS ACTION WAIVER PRECLUDES ANY PARTY FROM PARTICIPATING IN OR BEING REPRESENTED IN ANY CLASS OR REPRESENTATIVE ACTION REGARDING A CLAIM.**

26. Counterparts. This Guaranty may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement. Delivery of an executed counterpart of this Guaranty (or of any agreement or document required by this Guaranty and any amendment to this Guaranty) by telecopy or other electronic imaging means shall be as effective as delivery of a manually executed counterpart of this Guaranty; provided, however, that the telecopy or other electronic image shall be promptly followed by an original if required by the Bank.

27. Application of Singular and Plural. In all cases where there is but a single Foreign Subsidiary, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and when there is more than one Foreign Subsidiary, or when this Guaranty is executed by more than one Guarantor, the word “Foreign Subsidiary” or “Foreign Subsidiaries” and the word “Guarantor” respectively shall mean all or any one or more of them as the context requires.

28. Final Agreement. This Agreement and any related security agreements or other agreements required by this Agreement constitute the entire agreement between Guarantor and Bank with respect to the subject matter of this Guaranty and with respect to the credit facilities provided by Bank to the Foreign Subsidiaries and supersede all prior negotiations, communications, discussions and correspondence concerning the subject matter hereof. In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail.

**29. ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH**

**DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.**

[Signature Page Follows]

- 13 -

Executed this 15<sup>th</sup> day of November, 2016.

Daktronics, Inc.

/s/ Reece A. Kurtenbach  
Daktronics, Inc.  
Reece A. Kurtenbach  
Chief Executive Officer

/s/ Sheila M. Anderson  
Daktronics, Inc.  
Sheila M. Anderson  
Chief Financial Officer

Address for notices to Bank:

Address for notices to Guarantor:

1200 Main Street  
MO8-060-12-02  
Kansas City, Missouri 64105  
Attention: Alok Jain, Vice President  
Telephone: 816.292.4241  
Facsimile: 816.292.4413  
Email: alok.jain@baml.com

331 – 32<sup>nd</sup> Avenue  
Brookings, South Dakota 57006  
Attention:  
Facsimile: 605.697.4000  
Email: Sheila.Anderson@daktronics.com

[Signature Page to Continuing and Unconditional Guaranty]