SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015,

OR

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

For the transition period from _____ to _____

Commission file number 000-54258

TERRA TECH CORP.

(Exact name of registrant as specified in its charter)

NEVADA	**26-3062661**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No)
4700 Von Karman, Suite 110 Newport Beach, California 92660	**(855) 447-6967**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None	**None**
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.001 par value
(Title of Class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

Indicate by check mark whether the registrant is a shell company, (as defined in Rule 12b-2 in the Exchange Act). Yes☐ No ☒.

At June 30, 2015, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's voting stock held by non-affiliates (based on the closing sale price of the registrant's Common Stock on the OTC Market Group Inc.'s OTCQX tier, and for the purpose of this computation only, on the assumption that all of the Registrant's directors and officers are affiliates was approximately $10,538,797.

As of March 24, 2016, the number of shares of the Registrant's Common Stock outstanding was 463,036,181, which assumes the conversion of 100 shares of Series A Preferred Stock, convertible at any time into 100 shares of Common Stock, 16,150,000 shares of Series B Preferred Stock, convertible into 86,956,857 shares of Common Stock, and 32,276,008 shares of Common Stock issuable upon the exercise of all of our outstanding warrants.

Terra Tech Corp.

Form 10-K

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CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical facts, this Annual Report on Form 10-K contains forward-looking statements involving risks and uncertainties. The words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions or variations thereof are intended to identify forward-looking statements. Such statements reflect our current view with respect to future events and are subject to risks, uncertainties, assumptions and other factors (including the risks contained in the section of this Annual Report on Form 10-K entitled "Risk Factors") relating to our industries, operations and results of operations and any businesses that may be acquired by us. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date hereof.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results. The following discussion should be read in conjunction with our financial statements and the related notes included in this Annual Report on Form 10-K.

PART I

Item 1. Business.

Unless the context indicates or suggests otherwise, references to "we," "our," "us," the "Company," or "Terra Tech" refer to Terra Tech Corp., a Nevada corporation, individually, or as the context requires, collectively with its subsidiaries.

Company Overview

Through our wholly-owned subsidiary, GrowOp Technology Ltd., a Nevada corporation ("GrowOp Technology"), we engage in the design, marketing, and sale of hydroponic equipment with proprietary technology to create sustainable solutions for the cultivation of indoor agriculture. We are also a retail seller of locally grown hydroponic produce, herbs, and floral products through our wholly-owned subsidiary, Edible Garden Corp., a Nevada corporation ("Edible Garden"). Through MediFarm, LLC, a Nevada limited liability company ("MediFarm"), MediFarm I, LLC, a Nevada limited liability company ("MediFarm I"), and MediFarm II, LLC, a Nevada limited liability company ("MediFarm II"), subsidiaries in which we own interests, we plan to operate medical marijuana cultivation, production, and dispensary facilities in Nevada. Through our wholly-owned subsidiary, IVXX, Inc., a Nevada limited liability company ("IVXX"), we produce and sell a line of cannabis flowers and cigarettes, as well as a line of cannabis pure concentrates. Most recently, we formed another subsidiary, MediFarm I Real Estate, LLC a Nevada limited liability company ("MediFarm I RE"), in which we own 50% of its membership interests, which will own the real property on which a medical marijuana dispensary will be constructed. We anticipate that the dispensary will be operated by MediFarm I.

We were incorporated in Nevada on July 22, 2008, under the name Private Secretary, Inc. We changed our name to Terra Tech Corp. on January 27, 2012. Our corporate headquarters is located at 4700 Von Karman, Suite 110, Newport Beach, California 92660 and our telephone number is (855) 447-6967. Our website addresses are as follows: www.terratechcorp.com, www.ediblegarden.com, and www.ivxx.com. Our common stock, par value $0.001 (the "Common Stock"), is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "TRTC."

History and Background

Our original business was developing a software program that would allow for automatic call processing through voice-over-Internet protocol, or "VoIP", technology. Our operations were limited to capital formation, organization, and development of our business plan and target customer market. We generated no revenue.

On February 9, 2012, we completed a reverse-triangular merger with GrowOp Technology, whereby we acquired all of the issued and outstanding shares of GrowOp Technology and in exchange we issued: (i) 33,998,520 shares of our Common Stock, (ii) 100 shares of our Series A Preferred Stock, convertible into shares of Common Stock on a one-for-one basis, and (iii) 14,750,000 shares of our Series B Preferred Stock, with each share convertible into 5.384235537 shares of Common Stock. The issuances represented approximately 50.3% of our total shares of Common Stock outstanding, assuming the conversion of all of the shares of Series A Preferred Stock and Series B Preferred Stock, immediately following the closing of the merger. As a result of the merger, GrowOp Technology became our wholly-owned subsidiary. Following the merger, Terra Tech ceased its prior operations and is now solely a holding company.

We acquired our second wholly-owned subsidiary, Edible Garden, in 2013. Edible Garden is a retail seller of locally grown hydroponic produce, herbs, and floral products which is distributed throughout the Midwest and the Northeast United States. We entered into a Share Exchange Agreement, dated March 23, 2013 (the "Share Exchange Agreement"), by and among the Company, Edible Garden, and the stockholders of Edible Garden. Pursuant to the Share Exchange Agreement, we offered and sold 1,250,000 shares of our Common Stock in consideration for all the issued and outstanding shares in Edible Garden. Separately, Amy Almsteier, one of our stockholders and directors (and, at the time, an executive officer), offered and sold 7,650,000 shares of our Series B Preferred Stock to Kenneth Vande Vrede, Michael Vande Vrede, Steven Vande Vrede, Dan Vande Vrede, Beverly Willekes, and David Vande Vrede (collectively, the "Former EG Principal Stockholders"). The 7,650,000 shares of Series B Preferred Stock are convertible at any time into 36,344,198 shares of Common Stock and have voting power equal to 765,000,000 shares of Common Stock.

The effects of the issuance of the 1,250,000 shares of Common Stock and the sale of the 7,650,000 shares of Series B Preferred Stock by Ms. Almsteier were that the Former EG Principal Stockholders held approximately 25.7% of the issued and outstanding shares of Common Stock of the Company and approximately 43.3% of the voting power of the Company as of March 23, 2013. Articles of Exchange, consummating the share exchange, were filed with the Secretary of the State of Nevada on April 24, 2013.

On March 19, 2014, we formed MediFarm, a subsidiary. On July 18, 2014, we formed MediFarm I, a subsidiary. On July 30, 2014, we formed MediFarm II, a subsidiary. Through MediFarm, MediFarm I, and MediFarm II, we plan to operate medical marijuana cultivation, production, and dispensary facilities in Nevada.

On September 16, 2014, we formed IVXX for the purpose of producing a line of cannabis flowers and cigarettes, as well as a complete line of cannabis pure concentrates including: oils, waxes, shatters, and clears. We currently offer these products to approximately 200 select dispensaries in California. As discussed in more detail below, we are using our supercritical Co_2 extraction lab located in Oakland, California to manufacture these products. IVXX also sells clothing, apparel, and other various branded products.

On October 14, 2015, we formed MediFarm I RE. MediFarm I RE is a real estate holding company that owns the real property and a building, which is situated on the real property, at which a medical marijuana dispensary facility will be located. It is our intention that MediFarm I will operate the medical marijuana dispensary. We own 50% of the membership interests in MediFarm I RE. The remaining membership interests are owned by Forever Young Investments, LLC (50%), an otherwise unaffiliated entity.

On March 31, 2016, we expect to close on the acquisition of Black Oak Gallery, a California corporation that operates a medical marijuana dispensary in Oakland, California under the name, Blüm ("Black Oak"), pursuant to that certain Agreement and Plan of Merger, dated December 23, 2015 (the "Merger Agreement"), with Generic Merger Sub, Inc., a California corporation and our wholly-owned subsidiary ("Merger Sub"), and Black Oak. The Merger Agreement was amended by a First Amendment to the Agreement and Plan of Merger, dated February 29, 2016 (the "First Amendment"). Pursuant to the Merger Agreement, among other things, and subject to the satisfaction or waiver of the closing conditions set forth in the Merger Agreement, Merger Sub will merge with and into Black Oak, with Black Oak as the surviving corporation, and become our wholly-owned subsidiary (the "Merger"). The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Subject to the terms and conditions of the Merger Agreement, at the closing of the Merger, the outstanding shares of common stock of Black Oak held by (i) three of the current shareholders of Black Oak (the "Group A Shareholders") will be converted into the right to receive approximately 8,172 shares of our Series Z Preferred Stock, of which approximately 1,178 shares of Series Z Preferred Stock will be issued and paid at closing, and approximately 8,668,703 shares of our Series B Preferred Stock, of which approximately 1,248,302 shares of Series B Preferred Stock will be issued and paid at closing and (ii) the remaining shareholders of Black Oak (the "Group B Shareholders") will be converted into the right to receive approximately 21,395 shares of our Series Q Preferred Stock, of which approximately 3,700 shares of Series Q Preferred Stock will be issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that are issued but not paid to the Black Oak shareholders at closing will be subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement. Each share of Series Q Preferred Stock is to be converted into 5,000 shares of our Common Stock and each share of Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock, in each case immediately upon our filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of this potential transaction. Accordingly, the approximately 21,395 shares of Series Q Preferred Stock to be issued to the Group B Shareholders is convertible into approximately 106,975,000 shares of Common Stock and the approximately 8,172 shares of Series Z Preferred Stock to be issued to the Group A Shareholders is convertible into approximately 15,175,404 shares of Series B Preferred Stock. Each share of Series B Preferred Stock remains convertible into 5.384325537 shares of Common Stock. Immediately following the effectiveness of the Merger, the current Black Oak shareholders (both the Group A Shareholders and the Group B Shareholders) are expected to own approximately 33.37% of our Common Stock on a fully "as-converted basis," which percentage does not include certain shares of Common Stock, Series A Preferred Stock that may be converted into shares of Common Stock, or Series B Preferred Stock that may be converted into shares of Common Stock, as applicable, each as currently held by the Group A Shareholders. Derek Peterson, our President and Chief Executive Officer, is one of the Group A Shareholders. The Group B Shareholders may also receive cash consideration equal to approximately $2,088,000.

The securities paid to the Group A Shareholders and the Group B Shareholders are subject to certain post-closing adjustments that are based on certain performance indicators as of the first anniversary of the closing date of the Merger. The first indicator is based on the performance of the volume-weighted average price of our Common Stock on the first anniversary of the closing date of the Merger compared to the price of our Common Stock on the date of the Merger Agreement. The second indicator is based on our revenues for the twelve-month period following the closing date of the Merger. A portion of the securities that the Group A Shareholders and the Group B Shareholders are entitled to receive at closing of the Merger will be held in an escrow until the first anniversary of the closing date of the Merger and the post-closing adjustments are complete.

Black Oak committed to use commercially reasonable efforts to assist us in our preparation of Black Oak's financial statements, which statements are to be reasonably capable of being audited under GAAP and which audit is to be completed not later than June 8, 2016 (75 days after March 25, 2016). We will file a Current Report on Form 8-K to disclose these financial statements not later than June 8, 2016.

Our Business

We are a vertically integrated cannabis-focused agriculture company that is committed to cultivating and providing the highest quality medical cannabis, as well as other agricultural products, such as herbs and leafy greens that are grown using classic Dutch hydroponic farming methods. We have three wholly-owned subsidiaries, GrowOp Technology, Edible Garden, and IVXX, as well as ownership interests in MediFarm, MediFarm I, MediFarm II, and MediFarm I RE.

We have a "rollup" growth strategy:

- Fragmented market consists of smaller scale inefficient manufacturers and distribution companies. With our brand recognition and experienced management team we can maximize productivity, provide economies of scale, and increase profitability through our public market vehicle;
- Acquire unique products and niche players where barriers to entry are high and margins are robust providing them with a broader outlet for their products; and
- Second stage-acquire multiple production facilities to capture the market vertical from manufacturing to production up to retail.

GrowOp Technology

GrowOp Technology was incorporated on March 16, 2010. GrowOp Technology is currently headquartered in Newport Beach, California and has operations in Newport Beach, California.

GrowOp Technology integrates high quality hydroponic equipment with proprietary technology to create sustainable solutions for the cultivation of indoor agriculture. Our products are utilized by companies, horticulture enthusiasts, local urban farmers, and greenhouse growers.

GrowOp Technology's principal products include:

- Environmental Controllers & Timers;
- Ballasts;
- Bulbs;
- Reflectors;
- Nutrients; and
- Portable Hydroponic Trailers – Our portable hydroponic trailers, The Big Bud and Little Bud, are custom fabricated proprietary cultivation systems.

We operate in two distinct markets: commercial agriculture and retail agriculture.

In the retail agriculture market, three main manufacturers and distributors currently dominate the market in which GrowOp Technology competes: Sunlight Supply, Hydrofarm, and BWGS. These companies have been in business for several years, and we estimate they collectively make up over 50% of the market. In addition, there are several smaller distribution companies competing for market share. We believe that pricing is a primary driver in capturing market share, and that offering similar products at discounted pricing helps reduce the barriers to entry. Sunlight Supply, Hydrofarm, and BWGS have both the size and scope to create significant barriers to entry for smaller companies like GrowOp Technology. In the commercial market there are several companies that provide agricultural hydroponic equipment to large-scale farmers. These companies are relatively fragmented and generally focus on a few core proprietary items.

GrowOp Technology's products are sold at a few specialty retailers throughout the United States. In the case of commercial sales, which are approximately 1% of GrowOp Technology's total sales, GrowOp Technology sells its products directly to customers. With the exception of the portable hydroponic units, all of our products are manufactured by third parties in China. There are numerous manufacturers that are available to us, and therefore, we are not limited in the number of suppliers available nor are we dependent on any one supplier.

GrowOp Technology relies on a combination of trademark laws, trade secrets, confidentiality provisions, and other contractual provisions to protect its proprietary rights, which are primarily its brand names, product designs, and marks. GrowOp Technology does not own any patents.

GrowOp Technology's products are interchangeable for all agriculture, including medical marijuana. Twenty-three states and the District of Columbia currently have some form of medical marijuana legalization/decriminalization laws, and it is anticipated that another handful of states will have some form of voting regarding legislation of medical marijuana legalization/decriminalization laws in the near future. Hydroponic equipment, including GrowOp Technology's products, can be used to cultivate marijuana. GrowOp Technology believes that some of its customers are medical marijuana growers. However, we do not believe that federal law or any state laws prohibit GrowOp Technology from selling its products to medical marijuana growers.

It is possible that the sale of products to medical marijuana growers may be deemed facilitating the selling or distribution of marijuana in violation of the Controlled Substance Act (the "CSA"), or may constitute the aiding or abetting, or being an accessory to, a violation under the CSA. If such application were to occur, or if rules and regulations are promulgated in the future that has the effect of prohibiting the sale of GrowOp Technology's products to medical marijuana growers, GrowOp Technology's business would be adversely affected.

Edible Garden

Edible Garden was incorporated on April 9, 2013. Edible Garden is a retail seller of locally grown hydroponic produce, herbs, and floral products which are distributed throughout the Northeast and Midwest United States. Currently, Edible Garden's products are sold at approximately 1,800 retailers throughout these markets. Our target customers are those individuals seeking fresh produce locally grown using environmentally sustainable methods.

Pursuant to a letter agreement dated December 2, 2013 with Heartland Growers Inc. ("Heartland"), Heartland agreed to cultivate the full line of Edible Garden produce to be sold throughout the Midwestern United States. Pursuant to the terms of the agreement, Edible Garden will manage the marketing and sales, while Heartland will be responsible for the cultivation, packaging, and shipping of the product for retail sale under the Edible Garden brand. The term of the agreement was one year and expired on December 2, 2014. The term of the agreement is now month-to-month.

Pursuant to a letter agreement dated May 7, 2013 with Gro-Rite Inc., a New Jersey corporation ("Gro-Rite"), Edible Garden has the right to purchase and distribute a majority of Gro-Rite's plant products from Gro-Rite for marketing, sale, and distribution. Under the agreement, Edible Garden will receive a sales commission of up to 10%. The term of the agreement was one year and expired on May 7, 2014. The term of the agreement is now month-to-month.

On May 7, 2013, Edible Garden entered into a letter agreement with Naturally Beautiful Plant Products LLC, a New Jersey limited liability company ("NB Plants"), whereby Edible Garden has the right to purchase and distribute a majority of NB Plants' plant products. Under the agreement, Edible Garden will receive a sales commission of 10%. The term of this agreement was one year and expired May 7, 2014. The term of the agreement is now month-to-month.

There are numerous growers that are available to us, and therefore, we are not limited in the number of growers available nor are we dependent on any one grower. We completed construction of a greenhouse structure in 2014, which can be used to grow plants to satisfy selling demands; however, we may incur additional freight costs to distribute these plants until growers are replaced.

Edible Garden's main competitors are Shenandoah Growers and Sun Aqua Farms. To a lesser extent, Edible Garden competes with Green Giant, Del Monte, Rock Hedge Herbs, and Infinite Herbs. Edible Garden is an up and coming brand that has increased its retailers to approximately 1,800 retail sellers since we acquired Edible Gardens in March 2013. Edible Garden believes the following three reasons sets it apart from its competitors: (1) its branding and marketing displays, which are predominately placed in high traffic areas on its proprietary racks; (2) it uses proprietary strands and seeds for its produce and its methodology for growing such produce; and (3) all of its produce are hydroponically grown and are sold "alive" (*i.e.,* the produce is sold "rooted").

Edible Garden is dependent on one major customer. During fiscal 2015, approximately 74% of its sales were derived from one customer, NB Plants. The loss of this customer would not have a material adverse effect on Edible Garden's business, our financial condition, and results of operation.

Edible Garden relies on a combination of trademark laws, trade secrets, confidentiality provisions, and other contractual provisions to protect its proprietary rights, which are primarily its brand names, marks, and proprietary pods and seeds. Edible Garden owns trademarks but does not own any patents.

Edible Garden's produce is GFSI (Global Food Safety Initiative) certified. Edible Garden also obtained certain organic certifications for its products. No other governmental regulations or approvals are needed or affect its business.

Edible Garden's research and development activities have primarily focused on developing and testing new pods and seeds, as well as different fertilizers, nutrient blends, and lighting.

MediFarm, MediFarm I, and MediFarm II

We formed three subsidiaries for the purposes of cultivation or production of medical marijuana and/or operation of dispensary facilities in various locations in Nevada. As discussed in further detail below, MediFarm, MediFarm I, and MediFarm II have received eight provisional licenses from the State of Nevada, and we have received preliminary approval from local authorities with respect to all eight of such licenses. The receipt of both the provisional licenses from the State of Nevada and preliminary approval from local authorities are necessary to commence the final permitting process. The receipt of final permits and licenses, as to which there can be no assurance, is necessary to commence the proposed businesses of MediFarm, MediFarm I, and MediFarm II. Effectuation of the proposed business of each of (i) MediFarm, (ii) MediFarm I, and (iii) MediFarm II is also dependent upon the continued legislative authorization of medical marijuana at the state level.

Each subsidiary was formed with different investors, thus necessitating the need for multiple entities with different strategic partners and advisory board members. In addition, we anticipate each subsidiary will service a different geographical market in Nevada. We expect to allocate future business opportunities among MediFarm, MediFarm I, and MediFarm II based on the locations of such opportunities.

We formed MediFarm on March 19, 2014. We own 60% of the membership interests in MediFarm. The remaining membership interests are owned by Camden Goorjian (20%) and by Richard Vonfeldt (20%), two otherwise unaffiliated individuals. Upon receipt of the necessary governmental approvals and permitting, we expect MediFarm to operate medical marijuana cultivation, production, and/or dispensary facilities in Clark County, Nevada and a medical marijuana dispensary facility in the City of Las Vegas.

We formed MediFarm I on July 18, 2014. We own 50% of the membership interests in MediFarm I. The remaining membership interests are owned by Forever Green NV, LLC (50%), an otherwise unaffiliated entity that also owns certain membership interests in MediFarm II. Upon receipt of the necessary governmental approvals and permitting, we expect MediFarm I to operate a medical marijuana dispensary in Reno, Nevada.

We formed MediFarm II on July 30, 2014. We own 55% of the membership interests in MediFarm II. The remaining membership interests are owned by Nevada MF, LLC (30%) and by Forever Green NV, LLC (15%), two otherwise unaffiliated entities. Forever Green NV, LLC also owns certain membership interests in MediFarm I. Upon receipt of the necessary governmental approval and permitting, we expect MediFarm II to operate a medical marijuana cultivation and production facility in Spanish Springs, Nevada.

A number of states, including Nevada, have enacted laws that allow their citizens to use medical marijuana and operate medical marijuana cultivation, production, or dispensary facilities. Although cultivation and distribution of marijuana for medical use is permitted in Nevada, provided compliance with applicable state and local laws, rules, and regulations, marijuana is illegal under federal law. Strict enforcement of federal law regarding marijuana would likely result in the inability to proceed with the business plans of MediFarm, MediFarm I, and MediFarm II, even if they successfully procure one or more licenses for the cultivation, production, and/or distribution of medical marijuana in Nevada, and could expose MediFarm, MediFarm I, and MediFarm II to potential criminal liability and subject their properties to civil forfeiture. Though the cultivation and distribution of marijuana remains illegal under federal law, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the Department of Justice (the "DOJ") pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada, from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

To date, MediFarm, MediFarm I, and MediFarm II, have obtained eight provisional licenses from the State of Nevada to operate their respective businesses. With respect to MediFarm, it obtained provisional licenses from the State of Nevada for the proposed dispensary in Las Vegas, Nevada, and the production, cultivation, and dispensary facilities in Clark County, Nevada. With respect to MediFarm I, it obtained a provisional license from the State of Nevada for its proposed dispensary in Reno, Nevada. With respect to MediFarm II, it obtained provisional licenses from the State of Nevada for its proposed production and cultivation facilities in Spanish Springs, Nevada.

MediFarm, MediFarm I, and MediFarm II, have also received preliminary approval from their respective local jurisdictions in connection with the proposed production, cultivation, and/or dispensary facilities. With provisional licenses from the State of Nevada and preliminary approval from the respective local jurisdictions, MediFarm, MediFarm I, and MediFarm II have begun securing additional business licenses, construction permits, and final operational permits and certificates from the local and state jurisdictions in which they propose to operate. MediFarm, MediFarm I, or MediFarm II may not be able to obtain or maintain the necessary final licenses, permits, authorizations, or accreditations. Even if MediFarm, MediFarm I, and MediFarm II are able to obtain the necessary final licenses, permits, authorizations, or accreditations, we will require substantial capital to commence their proposed business operations, as to which there can be no assurance. We currently anticipate commencing operations at MediFarm's proposed cultivation and production facilities in Clark County, Nevada on or around the third quarter of 2016, as to which there can be no assurance. We currently anticipate commencing operations at MediFarm's proposed dispensary in Las Vegas, Nevada on or around the second quarter of 2016, as to which there can be no assurance. We currently anticipate commencing operations at MediFarm's I proposed dispensary in Reno, Nevada on or around the second quarter of 2016, as to which there can be no assurance. We currently anticipate commencing operations at MediFarm's II proposed cultivation and production facility in Spanish Springs, Nevada on or around the fourth quarter of 2016, as to which there can be no assurance.

If and when MediFarm, MediFarm I, or MediFarm II receives the necessary licenses, permits, authorizations, or accreditations, MediFarm, MediFarm I, and MediFarm II may face substantial competition in the operation of cultivation, production, and dispensary facilities in Nevada. Numerous other companies were also granted provisional licenses, and, therefore, we anticipate that we will face competition with these other companies if such companies operate cultivation, production, and dispensary facilities in and around the locations at which we plan to operate our facilities. Our management has extensive experience in successfully developing, implementing, and operating all facets of equivalent businesses in other markets. We believe this experience will provide MediFarm, MediFarm I, MediFarm II with a competitive advantage over these other companies.

MediFarm, MediFarm I, and MediFarm II rely on a combination of trademark laws, trade secrets, confidentiality provisions, and other contractual provisions to protect their proprietary rights. MediFarm, MediFarm I, and MediFarm II do not own any patents.

IVXX

On September 16, 2014, we formed IVXX for the purposes of producing a line of cannabis flowers and cigarettes, as well as a complete line of cannabis pure concentrates including: oils, waxes, shatters, and clears. The science of cannabis concentrate extraction functions on the solubility of the cannabinoids and other active ingredients in the cannabis plant. Cannabinoids are not water soluble, so to extract them properly, the cannabinoids must be dissolved in a solvent. Co_2 functions as a solvent when it is heated or cooled and pushed through the flower at high (supercritical) or low (subcritical) pressures. Many argue that Co_2 extraction is the least-toxic form of cannabis concentrate extraction because of its low environmental impact and nonexistent toxicity. IVXX has chosen the Co_2 extraction method and uses its supercritical Co_2 extractor, as well as other proprietary processes, to produce its concentrates in its lab located in Oakland, California. Essentially, our supercritical Co_2 extractor processes raw cannabis plants and separates the chemical cannabinoids from the cannabis plant material, producing a concentrate. IVXX also sells clothing, apparel, and other various branded products.

IVXX currently sells its products at wholesale to approximately 200 select dispensaries in California. None of IVXX's products crosses state lines. IVXX continues actively to seek opportunities to sell its products to other retailers located throughout the State of California. IVXX anticipates expanding its business into other states in which the sale of marijuana is legally permitted. In order for such expansion to occur, IVXX must secure the necessary licenses and permits required to operate in any given state, the timing and occurrence of which there can be no assurance. Initially, IVXX anticipates selling its products in Nevada in the dispensaries to be operated by MediFarm, MediFarm I, and/or MediFarm II once they are issued final permits and commence operations, as to the occurrence of which there can be no assurance. The projected timeline for the commencement of the dispensaries operated by MediFarm, MediFarm I, and/or MediFarm II is set forth above.

IVXX's target markets are those individuals located in the areas surrounding the dispensaries that sell IVXX's products and that qualify as "patients" under state and local rules and regulations.

The market for cannabis and medical marijuana products is rapidly evolving. IVXX competes with independent medical marijuana producers. There are significant barriers to entry, such as the time and cost in applying for operational licenses and permits. The location of a dispensary is also relevant, and, therefore, the monthly lease amount is often significant. Finally, the growing of medical marijuana requires expertise and the operating costs are often high. Many of our competitors have and will have greater financial and human resources, and longer operating histories, than we do. IVXX expects to be able to compete based on the cost, safety, and efficacy of its products. IVXX is consistently engaged in research and development with respect to increasing the efficiency of the processes used to produce its products, as well as improving the quality of its products for the benefit of its patients.

Although distributing medical marijuana is legally permitted in California, provided compliance with applicable state and local laws, rules, and regulations, marijuana is illegal under federal law. Strict enforcement of federal law regarding marijuana would likely affect the ability to proceed with IVXX's business, could expose IVXX to potential criminal liability, and subject its properties to civil forfeiture. Though the cultivation and distribution of marijuana remains illegal under federal law, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including California, from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

MediFarm I RE

On October 14, 2015, we formed MediFarm I RE. MediFarm I RE is a real estate holding company that owns the real property and a building, which is situated on such real property, at which a medical marijuana dispensary facility is expected to be located. It is our intention that MediFarm I will operate the medical marijuana dispensary. We own 50% of the membership interests in MediFarm I RE. The remaining membership interests are owned by Forever Young Investments, LLC (50%), an otherwise unaffiliated entity.

Blüm

On March 31, 2016, we expect to close on the Merger of Black Oak, a California corporation that operates a medical marijuana dispensary in Oakland, California under the name, Blüm. Black Oak dispenses a wide variety of medical marijuana flowers, edibles, and concentrates, as well as unsweetened topical and ingestible medications, to patients that are located in and around its dispensary. Black Oak obtains its products from several suppliers, including IVXX.

Black Oak's target markets are those individuals located in the areas surrounding its dispensary and qualify as "patients" under state and local rules and regulations.

The market for cannabis and medical marijuana products is rapidly evolving. Black Oak competes with other medical marijuana dispensaries that are located in and around Oakland, California. There are significant barriers to entry, such as the time and cost in complying with state and local rules and regulations. The location of a dispensary is also relevant, and, therefore, the monthly lease amount is often significant. Many of Black Oak's competitors have and will have greater financial and human resources, and longer operating histories then we do.

Although distributing medical marijuana is legally permitted in California, provided compliance with applicable state and local laws, rules and regulations, marijuana is illegal under federal law. Strict enforcement of federal law regarding marijuana would likely affect the ability to proceed with Black Oak's business, could expose Black Oak to potential criminal liability, and subject its properties to civil forfeiture. Though the cultivation and distribution of marijuana remains illegal under federal law, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including California, from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana.

Employees

As of the date of this Annual Report on Form 10-K, we have 41 full-time employees.

Item 1A. Risk Factors

You should carefully consider the risks, uncertainties and other factors described below, in addition to the other information set forth in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes thereto. Any of these risks, uncertainties and other factors could materially and adversely affect our business, financial condition, results of operations, cash flows, or prospects. In that case, the trading price of our Common Stock could decline, and you may lose all or part of your investment. An investment in our securities is speculative and involves a high degree of risk. You should not invest in our securities if you cannot bear the economic risk of your investment for an indefinite period of time and cannot afford to lose your entire investment. There may be additional risks that we do not presently know of or that we currently believe are immaterial which could also impair our business and financial position. See also "Cautionary Note Regarding Forward-Looking Statements."

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have a limited operating history, which may make it difficult for investors to predict future performance based on current operations.

We have a limited operating history upon that investors may base an evaluation of our potential future performance. In particular, we have not proven that we can supply hydroponic growing equipment, sell Edible Garden's hydroponic produce, herbs, and floral products, or IVXX's line of cannabix pure concentrates in a manner that enables us to be profitable and meet customer requirements, enhance Edible Garden's hydroponic produce, herbs, or floral products, obtain the necessary permits and/or achieve certain milestones to develop MediFarm's, MediFarm I's, and MediFarm II's respective businesses, enhance IVXX's line of cannabis flowers, cigarettes, and pure concentrates, develop and maintain relationships with key manufacturers and strategic partners to extract value from our intellectual property, raise sufficient capital in the public and/or private markets, or respond effectively to competitive pressures. As a result, there can be no assurance that we will be able to develop or maintain consistent revenue sources, or that our operations will be profitable and/or generate positive cash flow.

Any forecasts we make about our operations may prove to be inaccurate. We must, among other things, determine appropriate risks, rewards, and level of investment in our product lines, respond to economic and market variables outside of our control, respond to competitive developments and continue to attract, retain, and motivate qualified employees. There can be no assurance that we will be successful in meeting these challenges and addressing such risks and the failure to do so could have a materially adverse effect on our business, results of operations, and financial condition. Our prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stage of development. As a result of these risks, challenges, and uncertainties, the value of your investment could be significantly reduced or completely lost.

Our independent registered public accounting firm's report for the years ended December 31, 2014 and December 31, 2015 is qualified as to our ability to continue as a going concern.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in our audited annual financial statements as of and for the years ended December 31, 2014 and December 31, 2015, our independent registered public accounting firm included a note to our financial statements regarding concerns about our ability to continue as a going concern. Recurring losses from operations raise substantial doubt about our ability to continue as a going concern. The presence of the going concern note to our financial statements may have an adverse impact on the relationships we are developing and plan to develop with third parties as we continue the commercialization of our products and could make it challenging and difficult for us to raise additional financing, all of which could have a material adverse impact on our business and prospects and result in a significant or complete loss of your investment.

We have incurred significant losses in prior periods, and losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due and on our cash flow.

We have incurred significant losses in prior periods. For the year ended December 31, 2015, we incurred a net loss of $9,225,580 and, as of that date, we had an accumulated deficit of $45,952,109. For the year ended December 31, 2014, we incurred a net loss of $21,889,212 and, as of that date, we had an accumulated deficit of $36,726,529. Any losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due, and on our cash flow.

We will likely need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.

We have limited capital resources and operations. To date, our operations have been funded entirely from the proceeds of debt and equity financings. We expect to require substantial additional capital in the near future to commence operations at the proposed cultivation and production facilities and dispensaries for MediFarm, MediFarm I, and MediFarm II, expand our product lines, develop our intellectual property base, and establish our targeted levels of commercial production. We may not be able to obtain additional financing on terms acceptable to us, or at all.

Even if we obtain financing for our near-term operations, we expect that we will require additional capital thereafter. Our capital needs will depend on numerous factors including: (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot assure you that we will be able to obtain capital in the future to meet our needs.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership held by our existing stockholders will be reduced and our stockholders may experience significant dilution. In addition, new securities may contain rights, preferences, or privileges that are senior to those of our Common Stock. If we raise additional capital by incurring debt, this will result in increased interest expense. If we raise additional funds through the issuance of securities, market fluctuations in the price of our shares of Common Stock could limit our ability to obtain equity financing.

We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us. If we are unable to raise capital when needed, our business, financial condition, and results of operations would be materially adversely affected, and we could be forced to reduce or discontinue our operations.

We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.

The industries in which we operate in general are subject to intense and increasing competition. Some of our competitors may have greater capital resources, facilities, and diversity of product lines, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our product lines. Due to this competition, there is no assurance that we will not encounter difficulties in obtaining revenues and market share or in the positioning of our products. There are no assurances that competition in our respective industries will not lead to reduced prices for our products. If we are unable to successfully compete with existing companies and new entrants to the market this will have a negative impact on our business and financial condition.

If we fail to protect our intellectual property, our business could be adversely affected.

Our viability will depend, in part, on our ability to develop and maintain the proprietary aspects of our technology to distinguish our products from our competitors' products. We rely on copyrights, trademarks, trade secrets, and confidentiality provisions to establish and protect our intellectual property.

Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs and require a significant amount of our time. In addition, our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us.

Competitors may also harm our sales by designing products that mirror the capabilities of our products or technology without infringing on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual

property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that we will have the financial or other

resources to enforce our rights or be able to enforce our rights or prevent other parties from developing similar technology or designing around our intellectual property.

Although we believe that our technology does not and will not infringe upon the patents or violate the proprietary rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on our business.

We are not aware of any infringement by us of any person's or entity's intellectual property rights. In the event that products we sell are deemed to infringe upon the patents or proprietary rights of others, we could be required to modify our products or obtain a license for the manufacture and/or sale of such products or cease selling such products. In such event, there can be no assurance that we would be able to do so in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon our business.

There can be no assurance that we will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. If our products or proposed products are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, we could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have a material adverse effect on our business and our financial condition.

Our trade secrets may be difficult to protect.

Our success depends upon the skills, knowledge, and experience of our scientific and technical personnel, our consultants and advisors, as well as our licensors and contractors. Because we operate in several highly competitive industries, we rely in part on trade secrets to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We enter into confidentiality or non-disclosure agreements with our corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties confidential information developed by the receiving party or made known to the receiving party by us during the course of the receiving party's relationship with us. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property, and we enter into assignment agreements to perfect our rights.

These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to us. Our trade secrets also could be independently discovered by competitors, in which case we would not be able to prevent the use of such trade secrets by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect our competitive position.

Our business, financial condition, results of operations, and cash flow have been, and may in the future be, negatively impacted by challenging global economic conditions.

The recent global economic slowdown has caused disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, and declining consumer and business confidence, which has led to decreased levels of consumer spending. These macroeconomic developments have and could continue to negatively impact our business, which depends on the general economic environment and levels of consumer spending. As a result, we may not be able to maintain our existing customers or attract new customers, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market-specific economic downturn could have a material adverse effect on our business, financial condition, results of operations, and cash flow.

Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.

Our future success largely depends upon the continued services of our executive officers and management team, especially our President and Chief Executive Officer, Mr. Derek Peterson. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers. If any of our executive officers joins a competitor or forms a competing company, we may lose some or all of our customers. Finally, we do not maintain "key person" life insurance on any of our executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect our business, financial condition, and results of operations, and thereby an investment in our stock.

Our continuing ability to attract and retain highly qualified personnel will also be critical to our success because we will need to hire and retain additional personnel as our business grows. There can be no assurance that we will be able to attract or retain highly qualified personnel. We face significant competition for skilled personnel in our industries. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, we may not be able to effectively manage or grow our business, which could adversely affect our financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.

In the near term, we intend to expand the scope of our operations activities significantly. If we are successful in executing our business plan, we will experience growth in our business that could place a significant strain on our business operations, finances, management, and other resources. The factors that may place strain on our resources include, but are not limited to, the following:

- The need for continued development of our financial and information management systems;
- The need to manage strategic relationships and agreements with manufacturers, customers, and partners; and
- Difficulties in hiring and retaining skilled management, technical, and other personnel necessary to support and manage our business.

Additionally, our strategy envisions a period of rapid growth that may impose a significant burden on our administrative and operational resources. Our ability to effectively manage growth will require us to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage, and retain qualified management and other personnel. There can be no assurance that we will be successful in recruiting and retaining new employees, or retaining existing employees.

We cannot provide assurances that our management will be able to manage this growth effectively. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments or otherwise materially adversely affecting our business, financial condition, or results of operations.

If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.

In the area of innovation, we must be able to develop new technologies and products that appeal to our customers. This depends, in part, on the technological and creative skills of our personnel and on our ability to protect our intellectual property rights. We may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

We are dependent on the popularity of consumer acceptance of IVXX's product lines.

Our ability to generate revenue and be successful in the implementation of IVXX's business plan is dependent on consumer acceptance and demand of IVXX's medical marijuana product lines. Acceptance of IVXX's products will depend on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety, and reliability. If these customers do not accept IVXX's products, or if we fail to meet IVXX's customers' needs and expectations adequately, our ability to continue generating revenues could be reduced.

A drop in the retail price of medical marijuana products may negatively impact IVXX's business.

The demand for IVXX's products depends in part on the price of commercially grown marijuana. Fluctuations in economic and market conditions that impact the prices of commercially grown marijuana, such as increases in the supply of such marijuana and the decrease in the price of products using commercially grown marijuana, could cause the demand for medical marijuana products to decline, which would have a negative impact on our business.

Federal regulation and enforcement may adversely affect the implementation of medical marijuana laws and regulations may negatively impact our revenues and profits.

Currently, there are 23 states plus the District of Columbia that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the CSA, the policies and regulations of the federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. Unless and until Congress amends the CSA with respect to medical marijuana, as to the timing or scope of any such potential amendments there can be no assurance, there is a risk that federal authorities may enforce current federal law, and we may be deemed to be producing, cultivating, or dispensing marijuana in violation of federal law with respect to MediFarm's, MediFarm I's, MediFarm II's, or IVXX's current or proposed business operations, or we may be deemed to be facilitating the sale or distribution of drug paraphernalia in violation of federal law with respect to GrowOp Technology's business operations. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect our revenues and profits. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain.

The U.S. Supreme Court declined to hear a case brought by San Diego County, California that sought to establish federal preemption over state medical marijuana laws. The preemption claim was rejected by every court that reviewed the case. The California 4th District Court of Appeals wrote in its unanimous ruling, "Congress does not have the authority to compel the states to direct their law enforcement personnel to enforce federal laws." However, in another case, the U.S. Supreme Court held that, as long as the CSA contains prohibitions against marijuana, under the Commerce Clause of the United States Constitution, the United States may criminalize the production and use of homegrown cannabis even where states approve its use for medical purposes.

In an effort to provide guidance to federal law enforcement, the DOJ has issued Guidance Regarding Marijuana Enforcement to all United States Attorneys in a memorandum from Deputy Attorney General David Ogden on October 19, 2009, in a memorandum from Deputy Attorney General James Cole on June 29, 2011 and in a memorandum from Deputy Attorney General James Cole on August 29, 2013. Each memorandum provides that the DOJ is committed to the enforcement of the CSA, but, the DOJ is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way.

The August 29, 2013 memorandum provides updated guidance to federal prosecutors concerning marijuana enforcement in light of state laws legalizing medical and recreational marijuana possession in small amounts.

The memorandum sets forth certain enforcement priorities that are important to the federal government:

- Distribution of marijuana to children;
- Revenue from the sale of marijuana going to criminals;
- Diversion of medical marijuana from states where it is legal to states where it is not;
- Using state authorized marijuana activity as a pretext of other illegal drug activity;
- Preventing violence in the cultivation and distribution of marijuana;
- Preventing drugged driving;
- Growing marijuana on federal property; and
- Preventing possession or use of marijuana on federal property.

The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits. Furthermore, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada and California, from implementing their own laws that authorized the use, distribution, possession, or cultivation of medical marijuana.

We could be found to be violating laws related to medical cannabis.

Currently, there are 23 states plus the District of Columbia that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the CSA, the policies and regulations of the federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. Unless and until Congress amends the CSA with respect to medical marijuana, as to the timing or scope of any such amendments there can be no assurance, there is a risk that federal authorities may enforce current federal law. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain. With respect to GrowOp Technology, we currently sell a material portion of our hydroponic equipment to medical marijuana growers. Should it be determined under the CSA that GrowOp Technology's products or equipment are deemed to fall under the definition of drug paraphernalia because its products could be determined to be primarily intended or designed for use in manufacturing or producing cannabis, GrowOp Technology could be found to be in violation of federal drug paraphernalia laws and there may be a direct and adverse effect on GrowOp Technology's business, revenues, and profits, and to a lesser extent, our business, revenues, and profits. With respect to MediFarm, MediFarm I, and MediFarm II, we do not currently cultivate, produce, sell, or distribute any medical marijuana, and, therefore, we have no risk that we will be deemed to facilitate the selling or distribution of medical marijuana in violation of federal law. However, if we obtain the necessary final government approvals and permits in Nevada and obtain the necessary funding to commence the cultivation and production of medical marijuana and/or the operation of dispensary facilities for our MediFarm, MediFarm I, and MediFarm II subsidiaries, as to the successful achievement of any or all of such objectives there can be no assurance, we could be found in violation of the CSA.

Finally, we could be found in violation of the CSA in connection with the sale of IVXX's cannabis flowers, cigarettes, and pure concentrates. This would cause a direct and adverse effect on our subsidiaries' businesses, or intended businesses, and on our revenue and prospective profits.

Variations in state and local regulation, and enforcement in states that have legalized medical cannabis, may restrict marijuana-related activities, including activities related to medical cannabis, which may negatively impact our revenues and prospective profits.

Individual state laws do not always conform to the federal standard or to other states laws. A number of states have decriminalized marijuana to varying degrees, other states have created exemptions specifically for medical cannabis, and several have both decriminalization and medical laws. Four states, Alaska, Colorado, Oregon, and Washington, and the District of Columia have legalized the recreational use of cannabis. Variations exist among states that have legalized, decriminalized, or created medical marijuana exemptions. For example, Alaska, Colorado, and the District of Columbia have limits on the number of marijuana plants that can be homegrown. In most states, the cultivation of marijuana for personal use continues to be prohibited except for those states that allow small-scale cultivation by the individual in possession of medical marijuana needing care or that person's caregiver. Active enforcement of state laws that prohibit personal cultivation of marijuana may indirectly and adversely affect our business and our revenue and profits.

It is possible that federal or state legislation could be enacted in the future that would prohibit us or potential customers from selling GrowOp Technology's products, and if such legislation were enacted, our revenues could decline, leading to a loss in your investment.

We are not aware of any federal or state regulation that regulates the sale of indoor cultivation equipment to medical or recreational marijuana growers. The extent to which the regulation of drug paraphernalia under the CSA is applicable to GrowOp Technology's business and the sale of GrowOp Technology's products is found in the definition of "drug paraphernalia." Drug paraphernalia means any equipment, product, or material of any kind that is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, possession of which is unlawful. GrowOp Technology's products are primarily designed for general agricultural use. We have no direct or indirect design features in our equipment specifically or primarily of the cultivation of medical cannabis. Although it is possible that medical marijuana may be grown in GrowOp Technology's hydroponic equipment, we make no inquiry of our customers as to their intended agricultural use of GrowOp Technology's products.

Our understanding of federal or state regulation of the sale of indoor cultivation equipment to medical or recreational cannabis growers is prohibited if the primary intent or design of the equipment is indoor cultivation equipment to medical or recreational cannabis growers. Our products are primarily designed for general agricultural use. We have no direct or indirect design features in our equipment specifically or primarily of the cultivation of medical marijuana. Although it is possible that medical marijuana may be grown in GrowOp Technology's hydroponic equipment, we make no inquiry of our customers as to their intended agricultural use of GrowOp Technology's products. If federal and/or state legislation is enacted that prohibits the sale of our growing equipment to medical cannabis growers, our revenues could decline, which could result in a decrease in the price of our Common Stock.

Prospective customers may be deterred from doing business with a company with a significant nationwide online presence because of fears of federal or state enforcement of laws prohibiting possession and sale of medical or recreational marijuana.

Our website is visible in jurisdictions where medicinal and/or recreational use of marijuana is not permitted and, as a result, we may be found to be violating the laws of those jurisdictions. We could lose potential customers as they could fear federal prosecution for growing marijuana with GrowOp Technology's equipment, reducing our revenue. In most states in which the production and sale of marijuana have been legalized, there are additional laws or licenses required and some states altogether prohibit home cultivation, all of which could make the loss of potential customers more likely.

Marijuana remains illegal under federal law.

Marijuana is a Schedule-I controlled substance and is illegal under federal law. Even in those states in which the use of marijuana has been legalized, its use remains a violation of federal law. Since federal law criminalizing the use of marijuana preempts state laws that legalize its use, strict enforcement of federal law regarding marijuana would likely result in our inability to proceed with our business plan, especially in respect of MediFarm, MediFarm I, MediFarm II, and IVXX.

Laws and regulations affecting the medical marijuana industry are constantly changing, which could detrimentally affect the proposed operations of MediFarm, MediFarm I, and MediFarm II, and the business of IVXX.

Local, state, and federal medical marijuana laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter certain aspects of our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of our business plan and result in a material adverse effect on certain aspects of our planned operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to certain aspects of our proposed medical marijuana businesses through MediFarm, MediFarm I, MediFarm II, and our business of selling cannabis products through IVXX. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

We may not obtain the necessary permits and authorizations to operate the medical marijuana business.

MediFarm, MediFarm I, or MediFarm II may not be able to obtain or maintain the necessary licenses, permits, authorizations, or accreditations, or may only be able to do so at great cost, to operate its medical marijuana business. In addition, we may not be able to comply fully with the wide variety of laws and regulations applicable to the medical marijuana industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations, or accreditations could result in restrictions on our ability to operate the medical marijuana business, which could have a material adverse effect on our business.

If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.

MediFarm's, MediFarm I's, MediFarm II's, and IVXX's participation in the medical marijuana industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against these subsidiaries. Litigation, complaints, and enforcement actions involving these subsidiaries could consume considerable amounts of financial and other corporate resources, which could have a negative impact on our sales, revenue, profitability, and growth prospects. As our subsidiaries, MediFarm, MediFarm I, and MediFarm II, are only in the process of obtaining final licenses to cultivate and sell medical marijuana in Nevada, and are not as such presently engaged in the cultivation or distribution of marijuana, our subsidiaries have not been, and are not currently, subject to any material litigation, complaint, or enforcement action regarding marijuana (or otherwise) brought by any federal, state, or local governmental authority. IVXX is presently engaged in the distribution of marijuana; however, we have not been, and are not currently, subject to any material litigation, complaint or enforcement action regarding marijuana (or otherwise) brought by any federal, state, or local governmental authority with respect to IVXX's business.

We may have difficulty accessing the service of banks, which may make it difficult for us to operate.

Since the use of marijuana is illegal under federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. The inability to open or maintain bank accounts may make it difficult for us to operate our contemplated medical marijuana businesses.

We are dependent on the popularity of consumer acceptance of hydroponic grown produce and herbs.

Our ability to generate revenue and be successful in the continued implementation of Edible Garden's business plan is dependent on consumer acceptance and demand of hydroponic grown produce and herbs. Acceptance of Edible Garden's products will depend on several factors, including availability, cost, and convenience. If these customers do not accept Edible Garden's products, or if we fail to meet Edible Garden's customers' needs and expectations

adequately, our ability to continue generating revenues could be reduced.

A drop in the retail price of commercially grown produce may negatively impact our business.

The demand for Edible Garden's hydroponic grown produce depends in part on the price of commercially grown produce. Fluctuations in economic and market conditions that impact the prices of commercially grown produce, such as increases in the supply of such produce and the decrease in the price of commercially grown produce, could cause the demand for hydroponic grown produce to decline, which would have a negative impact on our business.

If we are unable to adopt or incorporate technological advances into GrowOp Technology's hydroponic equipment products, our business could become less competitive, uncompetitive, or obsolete and we may not be able to compete effectively with competitors' products.

We expect that technological advances in the processes and procedures for hydroponic growing equipment will continue to occur. As a result, there are risks that products that compete with our products could be improved or developed. If we are unable to adopt or incorporate technological advances, our products could be less efficient or cost-effective than methods developed and sold by our competitors, which could cause GrowOp Technology's products to become less competitive, uncompetitive, or obsolete, which would have a material adverse effect on GrowOp Technology's financial condition, and to a much lesser extent, on our financial condition.

Competing forms of specialized agricultural equipment may be more desirable to consumers or make GrowOp Technology's products obsolete.

There are currently several different specialized agricultural equipment technologies being deployed in urban vertical farming operations other than hydroponics, such as aquaponics and terraponics. Further development of any of these competitive technologies may lead to advancements in vertical farming techniques that will make GrowOp Technology's products obsolete. Consumers may prefer alternative technologies and products. Any developments that contribute to the obsolescence of our products may substantially impact our business, reducing our ability to generate revenues.

Litigation may adversely affect our business, financial condition, and results of operations.

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could adversely affect our business and the results of our operations.

Our officers and directors have significant control over stockholder matters and the minority stockholders will have little or no control over our affairs.

Our officers and directors currently own approximately 21.13% of our outstanding Common Stock, and, through the ownership of preferred stock, have approximately 71.76% of stockholder voting power, and thus significant control over stockholder matters, such as election of directors, amendments to the Articles of Incorporation, and approval of significant corporate transactions. As a result, our minority stockholders will have little or no control over our affairs.

If we fail to implement and maintain proper and effective internal controls and disclosure controls and procedures pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, our ability to produce accurate and timely financial statements and public reports could be impaired, which could adversely affect our operating results, our ability to operate our business, and investors' views of us.

As of December 31, 2015, management assessed the effectiveness of our internal controls over financial reporting. Management concluded, as of the year ended December 31, 2015, that our internal controls and procedures were not effective to detect the inappropriate application of U.S. GAAP rules. Management concluded that our internal controls were adversely affected by deficiencies in the design or operation of our internal controls, which management considered to be material weaknesses. These material weaknesses include the following:

- lack of a majority of independent members and a lack of a majority of outside directors on our Board of Directors ("Board"), resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures;
- inadequate segregation of duties consistent with control objectives; and
- ineffective controls over period end financial disclosure and reporting processes.

The failure to implement and maintain proper and effective internal controls and disclosure controls could result in material weaknesses in our financial reporting, such as errors in our financial statements and in the accompanying footnote disclosures that could require restatements. Investors may lose confidence in our reported financial information and disclosure, which could negatively impact our stock price.

We do not expect that our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Over time, controls may become inadequate because changes in conditions or deterioration in the degree of compliance with policies or procedures may occur. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our insurance coverage may be inadequate to cover all significant risk exposures.

We will be exposed to liabilities that are unique to the products we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties of our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition, and results of operations. We do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

RISKS RELATED TO AN INVESTMENT IN OUR SECURITIES

We expect to experience volatility in the price of our Common Stock, which could negatively affect stockholders' investments.

The trading price of our Common Stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with securities traded in those markets. Broad market and industry factors may seriously affect the market price of companies' stock, including ours, regardless of actual operating performance. All of these factors could adversely affect your ability to sell your shares of Common Stock or, if you are able to sell your shares, to sell your shares at a price that you determine to be fair or favorable.

The relative lack of public company experience of our management team could adversely impact our ability to comply with the reporting requirements of U.S. securities laws.

Our management team lacks public company experience, which could impair our ability to comply with legal and regulatory requirements such as those imposed by the Sarbanes-Oxley Act of 2002. Our senior management has limited experience in managing a publicly traded company. Such responsibilities include complying with federal securities laws and making required disclosures on a timely basis. Our senior management may not be able to implement programs and policies in an effective and timely manner that adequately respond to such increased legal, regulatory compliance, and reporting requirements, including the establishing and maintaining of internal controls over financial reporting. Any such deficiencies, weaknesses, or lack of compliance could have a materially adverse effect on our ability to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which is necessary to maintain our public company status. If we were to fail to fulfill those obligations, our ability to continue as a U.S. public company would be in jeopardy, we could be subject to the imposition of fines and penalties, and our management would have to divert resources from attending to our business plan.

Our Common Stock is categorized as "penny stock," which may make it more difficult for investors to sell their shares of Common Stock due to suitability requirements.

Our Common Stock is categorized as "penny stock." The Securities and Exchange Commission (the "SEC") has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The price of our Common Stock is significantly less than $5.00 per share, and is therefore considered "penny stock." This designation imposes additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer buying our securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities given the increased risks generally inherent in penny stocks. These rules may restrict the ability and/or willingness of brokers or dealers to buy or sell our Common Stock, either directly or on behalf of their clients, may discourage potential stockholders from purchasing our Common Stock, or may adversely affect the ability of stockholders to sell their shares.

Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our Common Stock, which could depress the price of our Common Stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require a broker-dealer to have reasonable grounds for believing that the investment is suitable for that customer before recommending an investment to a customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our shares of Common Stock, have an adverse effect on the market for our shares of Common Stock, and thereby depress our price per share of Common Stock.

The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for or obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.

Our Articles of Incorporation contain a provision permitting us to eliminate the personal liability of our directors to us and our stockholders for damages for the breach of a fiduciary duty as a director or officer to the extent provided by Nevada law. We may also have contractual indemnification obligations under any future employment agreements with our officers or agreements entered into with our directors. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties, and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit us and our stockholders.

We may issue additional shares of Common Stock or preferred stock in the future, which could cause significant dilution to all stockholders.

Our Articles of Incorporation authorize the issuance of up to 350,000,000 shares of Common Stock and 25,000,000 shares of preferred stock, with a par value of $0.001 per share. As of March 24, 2016, we had 343,803,216 shares of Common Stock, 100 shares of Series A Preferred Stock and 16,150,000 shares of Series B Preferred Stock outstanding; however, we may issue additional shares of Common Stock or preferred stock in the future in connection with a financing or an acquisition. Such issuances may not require the approval of our stockholders. In addition, certain of our outstanding rights to purchase additional shares of Common Stock or securities convertible into our Common Stock are subject to full-ratchet anti-dilution protection, which could result in the right to purchase significantly more shares of Common Stock being issued or a reduction in the purchase price for any such shares or both. Any issuance of additional shares of our Common Stock, or equity securities convertible into our Common Stock, including but not limited to, preferred stock, warrants, and options, will dilute the percentage ownership interest of all stockholders, may dilute the book value per share of our Common Stock, and may negatively impact the market price of our Common Stock.

Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.

Nevada has a business combination law that prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after an "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquiror to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is potentially to discourage parties interested in taking control of us from doing so if they cannot obtain the approval of our Board. Both of these provisions could limit the price investors would be willing to pay in the future for shares of our Common Stock.

Because we do not intend to pay any cash dividends on our Common Stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. Declaring and paying future dividends, if any, will be determined by our Board, based upon earnings, financial condition, capital resources, capital requirements, restrictions in our Articles of Incorporation, contractual restrictions, and such other factors as our Board deems relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We own two acres of land in Spanish Springs, Nevada on which we intend to build a medical marijuana cultivation and production facility, as well as a laboratory, which we expect MediFarm will operate.

MediFarm I RE, a subsidiary we own a 50% interest in, owns real property, and the building situated on such real property, located in Reno, Nevada. We expect MediFarm I to operate a medical marijuana dispensary facility at such location.

We lease the other physical properties material to our operations. Our executive offices are located at 4700 Von Karman Avenue, Suite 110, Newport Beach, California 92660, and our telephone number is (855) 447-6967. The lease is for an initial term of three years and expires on May 31, 2017. The current monthly base rent amount equals $3,447.

Edible Garden leases land located at 283 Country Road 519, Belvidere, New Jersey 07823, on which land sits a greenhouse structure. The lease is for a term of 15 years, at a current cost of $14,200 per month, and terminates on December 31, 2029. The land is being leased from Whitetown Realty, LLC, an entity in which David Vande Vrede and Greda Vande Vrede own interests. David Vande Vrede and Greda Vande Vrede are the parents of our directors Kenneth Vande Vrede, Michael Vande Vrede, and Steven Vande Vrede. The facility, at maximum production, can produce up to 22,500 plants per week, per acre, operating 52 weeks a year at an average sales price of $1.50 per plant. The greenhouse facility also contains three acres, which are outfitted with high-tech Dutch bucket hydroponic equipment. This equipment moves seed through the entire growing process, thus, reducing labor costs and increasing efficiency. We believe that, at full production, the facility is capable of producing up to $7.5 million in annual sales. Edible Garden is currently using approximately 60% of this facility. We commenced production at the greenhouse facility in December 2014.

IVXX recently completed construction of its supercritical Co_2 extraction lab located at 578 West Grand Avenue, Oakland, California 94612, in the medical marijuana dispensary operated by Black Oak. The lab is approximately 550 square feet. The lab is not currently utilized at full capacity and IVXX is currently not charged any rent to use the space. Prior to the closing of the Merger, Derek Peterson, our President, Chief Executive Officer, and Chairman of our Board, held a 12% ownership interest in Black Oak.

We also maintain an office located at 4471 Dean Martin Drive, #2606, Las Vegas, Nevada 89103. The lease amount is $1,975 per month. The lease expired on February 28, 2016 and is currently month-to-month..

Item 3. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

On December 1, 2014, a lawsuit that was filed in Clark County, Nevada District Court in December by five dispensary applicants who received Clark County Special Use Permits but did not receive provisional state registration certificates. This lawsuit was dismissed on October 6, 2015 as a result of Senate Bill 276 ("S.B. 276"), which was passed during the 2015 Nevada legislative session. The plaintiffs alleged that the Nevada Health Division (the "Division"), among other things, improperly ranked the medical marijuana dispensary applications from Clark County. These plaintiffs had secured Special Use Permits from Clark County, but had failed to receive provisional registration from the State of Nevada. The defendants, which included MediFarm, received provisional registration from the State of Nevada, but did not receive Special Use Permits from Clark County, which are required for dispensary operation.

Notably, the October 6, 2015 Stipulation and Order to dismiss the case dismissed all claims and specifically noted that, "Senate Bill 276 of the 2015 Nevada Legislature rendered the relief sought in the Amended Complaint filed on December 29, 2014 by the Plaintiffs/Petitioners . . . moot because the registrations have been issued …" and that "there remains no further outstanding matters in need of resolution of this case. Now therefore, it is hereby stipulated and agreed by the parties hereto that this case shall be dismissed without prejudice . . ."

S.B. 276 was intended to address the discrepancies that arose in Clark County where some dispensary operators were approved by the local government, but did not receive registration certificates. Senator Patricia Farley, one of the sponsors of S.B. 276, explained the bill's potential to help resolve the litigation and delay stemming from the divergent selection processes:

> "This bill addresses a few issues that have emerged since we legalized medical marijuana last session . . . I would note that Senate Bill 276 gives Clark and Washoe Counties the flexibility to deal with some lawsuits that have been filed over the dispensary selection process . . . I believe this bill gives them tools to negotiate resolution so the medical marijuana industry can move forward."

S.B. 276 effectively settled the dispute by creating a one-time process allowing additional dispensaries in Washoe and Clark Counties. S.B. 276 required that 11 dispensary registration certificates initially allocated to rural counties without any qualifying applicants be reallocated to Clark County and Washoe County. Specifically, unincorporated Clark County received eight reallocated registration certificates, unincorporated Washoe County received one registration certificate, and the cities of Reno and Sparks each received one registration certificate. The bill required the Division to award these reallocated certificates to dispensaries that had received business licenses or approvals from the local government. In Clark County, this resulted in the plaintiffs receiving a new, reallocated registration certificate from the Division. The defendants, including MediFarm, which had not initially received a Special Use Permit from Clark County, had their Special Use Permit applications processed by Clark County. On September 3, 2015, MediFarm received the Special Use Permit needed to continue with its proposed dispensary in Clark County.

On November 20, 2014, Bianca Barnhill sent us a letter alleging that we were violating her rights relating to the IVXX mark. Our position was that it does not infringe such rights, and, in fact, we believed that we have priority and it is Ms. Barnhill who infringed our rights. We sent Ms. Barnhill a cease and desist letter on December 23, 2014. We intend to vigorously defend the matter should Ms. Barnhill pursue her claim; however, we are trying to amicably resolve the matter.

Item 4. Mine Safety Disclosures.

None.

PART II

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

Market Information

Our Common Stock is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "TRTC." The following is a summary of the high and low closing bid prices of our Common Stock for the periods indicated, as reported by the OTC Markets Group, Inc. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

	CLOSING BID PRICE PER SHARE	
	HIGH	LOW
Year ended December 31, 2016		
First Quarter (through March 24, 2016)	$ 0.32	$ 0.09
Year ended December 31, 2015		
First Quarter	$ 0.29	$ 0.17
Second Quarter	$ 0.21	$ 0.11
Third Quarter	$ 0.18	$ 0.08
Fourth Quarter	$ 0.14	$ 0.09
Year ended December 31, 2014		
First Quarter	$ 1.38	$ 0.15
Second Quarter	$ 1.03	$ 0.347
Third Quarter	$ 0.580	$ 0.218
Fourth Quarter	$ 0.495	$ 0.245

On March 24, 2016, the closing bid price on the OTC Markets Group, Inc.'s OTCQX tier for our Common Stock was $0.32.

Stockholders

As of March 24, 2016, there were 343,803,216 shares of Common Stock issued and outstanding (excluding shares of Common Stock issuable upon conversion or conversion into shares of Common Stock of all of our currently outstanding Series A Preferred Stock and Series B Preferred Stock and exercise of our warrants and options) held by approximately 121 stockholders of record. We believe that we have more than 25,000 beneficial holders of our Common Stock.

Dividends

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future. There are no restrictions in our Articles of Incorporation or Bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

- we would not be able to pay our debts as they become due in the usual course of business; or
- our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution, unless otherwise permitted under our Articles of Incorporation.

Securities Authorized for Issuance under Equity Compensation Plans

As of December 31, 2015, the end of our most recently completed fiscal year, we did not have in effect any compensation plans under which any of our equity securities are authorized for issuance.

On January 12, 2016, we adopted the 2016 Equity Incentive Plan (the "Plan"). Our stockholders will be asked to approve the Plan at our next annual meeting of stockholders. Pursuant to the terms of the Plan, the maximum number of shares of Common Stock available for the grant of awards under the Plan shall not exceed 30,000,000. On January 12, 2016, we granted to certain of our directors, executive officers, and employees ten-year options to acquire 6,700,000 shares of Common Stock at an exercise price of $0.09 per share, which represented the closing price reported on the OTC Market Group, Inc.'s OTCQX tier on the grant date. One-twelfth of each option vests quarterly for the next twelve quarters.

Penny Stock Regulations

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share. Our Common Stock, when and if a trading market develops, may fall within the definition of penny stock and be subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000, or annual incomes exceeding $200,000 individually, or $300,000, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our Common Stock and may affect the ability of investors to sell their Common Stock in the secondary market.

Recent Sales of Unregistered Securities

On December 13, 2015, we entered into a Securities Purchase Agreement with certain purchasers relating to the issuance and sale of 12% Convertible Promissory Notes in the aggregate principal amount of Five Hundred Thousand Dollars ($500,000). The issuances were made pursuant to the exemptions for registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and Rule 506 of Regulation D, promulgated under the Securities Act.

On December 23, 2015, we offered and sold 3,932,518 shares of Common Stock to 14 persons, all but one of whom were accredited investors, in exchange for providing services to us valued at approximately $353,927. The issuances were made pursuant to the exemptions for registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D, promulgated under the Securities Act.

We expect to close the Merger with Black Oak and Merger Sub on March 31, 2016 (the "Expected Closing Date"). On the Expected Closing Date, and subject to the terms and conditions of the Merger Agreement, the outstanding shares of common stock of Black Oak held by (i) the Group A Shareholders will be converted into the right to receive approximately 8,172 shares of our Series Z Preferred Stock, of which approximately 1,178 shares of Series Z Preferred Stock will be issued and paid at closing, and approximately 8,668,703 shares of our Series B Preferred Stock, of which approximately 1,248,302 shares of Series B Preferred Stock will be issued and paid at closing and (ii) the Group B Shareholders will be converted into the right to receive approximately 21,395 shares of our Series Q Preferred Stock, of which approximately 3,700 shares of Series Q Preferred Stock will be issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that are issued but not paid to the Black Oak shareholders at closing will be subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement. Each share of Series Q Preferred Stock is to be converted into 5,000 shares of our Common Stock and each share of Series Z Preferred Stock is to be converted into 1,857 shares of our Series B Preferred Stock, in each case immediately upon us filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of this potential transaction. Accordingly, the approximately 21,395 shares of Series Q Preferred Stock to be issued to the Group B Shareholders are convertible into approximately 106,975,000 shares of Common Stock and the approximately 8,172 shares of Series Z Preferred Stock to be issued to the Group A Shareholders are convertible into approximately 15,175,404 shares of Series B Preferred Stock. Each share of Series B Preferred Stock remains convertible into 5.384325537 shares of Common Stock. The aggregate value of the shares of Series B Preferred Stock, Series Q Preferred Stock, and Series Z Preferred Stock to be issued in the Merger equals approximately $22,925,000. The securities issued, and to be issued, in connection with the Merger are exempt from the registration requirements of the Securities Act in reliance on Sections 3(a)(9) and 4(a)(2) of the Securities Act. The Series B Preferred Stock, Series Q Preferred Stock, Series Z Preferred Stock, and the Common Stock to be issued upon conversion of the Series Q Preferred Stock and Series B Preferred Stock are restricted securities that have not been registered under the Securities Act, and will not be registered thereunder, and may not be offered or sold absent registration or applicable exemption from the registration requirements.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not, nor did any affiliated purchaser, make any repurchases of our securities during the fourth quarter of the year ended December 31, 2015.

Item 6. Selected Financial Data.

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this Item.

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

The following discussion and analysis of the results of operations and financial condition for the fiscal years ended December 31, 2014 and 2015, should be read in conjunction with the financial statements and related notes and the other financial information that are included elsewhere in this Annual Report on Form 10-K. This discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations, and intentions. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results, or other developments. Forward-looking statements are based upon estimates, forecasts, and assumptions that are inherently subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by us, or on our behalf. We disclaim any obligation to update forward-looking statements. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Risk Factors, Cautionary Note Regarding Forward-Looking Statements and Business sections in this Annual Report on Form 10-K. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements.

COMPANY OVERVIEW

We were incorporated in Nevada on July 22, 2008 under the name Private Secretary, Inc. We changed our name to Terra Tech Corp. on January 27, 2012. Our corporate headquarters is located at 4700 Von Karman Avenue, Suite 110, Newport Beach, California 92660 and our telephone number is (855) 447-6967. Our website addresses are as follows: www.terratechcorp.com, www.ediblegarden.com, and www.ivxx.com.

Our original business was to develop a software program that would allow for automatic call processing through "VoIP" technology. Our operations were limited to capital formation, organization, and development of our business plan and target customer market. We generated no revenue.

On February 9, 2012, we completed a reverse-triangular merger with GrowOp Technology, whereby we acquired all of the issued and outstanding shares of GrowOp Technology and in exchange we issued: (i) 33,998,520 shares of our Common Stock, (ii) 100 shares of our Series A Preferred Stock, convertible into shares of Common Stock on a one-for-one basis, and (iii) 14,750,000 shares of our Series B Preferred Stock, with each share convertible into 5.384325537 shares of Common Stock. The issuance represented approximately 50.3% of our total shares of Common Stock outstanding, assuming the conversion of all the shares of Series A Preferred Stock and Series B Preferred Stock, immediately following the closing of the merger. As a result of the merger, GrowOp Technology became our wholly-owned subsidiary. Following the merger, we ceased our prior operations and are now solely a holding company. Through GrowOp Technology, we engage in the design, marketing, and sale of hydroponic equipment with propriety technology to create sustainable solutions for the cultivation of indoor agriculture.

We entered into a Share Exchange Agreement by and among the Company, Edible Garden, and the stockholders of Edible Garden. Pursuant to the Share Exchange Agreement, we offered and sold 1,250,000 shares of Common Stock in consideration for all the issued and outstanding shares in Edible Garden. Separately, Amy Almsteier, one of our stockholders and directors (and, then executive officer), offered and sold 7,650,000 shares of Series B Preferred Stock to the Former EG Principal Stockholders. The 7,650,000 shares of Series B Preferred Stock are convertible at any time into 36,344,198 shares of Common Stock and have voting power equal to 765,000,000 shares of Common Stock.

The effects of the issuance of the 1,250,000 shares of our Common Stock and the sale of the 7,650,000 shares of Series B Preferred Stock by Ms. Almsteier were that, as of the date of the issuance and sale, the Former EG Principal Stockholders held approximately 25.7% of the issued and outstanding shares of our Common Stock and approximately 43.3% of the voting power of the Company. Articles of Exchange, consummating the share exchange, were filed with the Secretary of the State of Nevada on April 24, 2013. Through Edible Garden, we are the retail seller of locally grown hydroponic produce.

We formed MediFarm on March 19, 2014. We own 60% of the membership interests in MediFarm. The remaining membership interests are owned by Camden Goorjian (20%) and by Richard Vonfeldt (20%), two otherwise unaffiliated individuals. Upon receipt of the necessary governmental approvals and permitting, as to which there can be no assurance, we expect MediFarm to operate medical marijuana cultivation, production, and dispensary facilities in Clark County, Nevada and a medical marijuana dispensary facility in the City of Las Vegas.

We formed MediFarm I on July 18, 2014. We own 50% of the membership interests in MediFarm I. The remaining membership interests are owned by Forever Green NV, LLC (50%), an otherwise unaffiliated entity. Upon receipt of the necessary governmental approvals and permitting, as to which there can be no assurance, we expect MediFarm I to operate a medical marijuana dispensary in Reno, Nevada.

We formed MediFarm II on July 30, 2014. We own 55% of the membership interests in MediFarm II. The remaining membership interests are owned by Nevada MF, LLC (30%) and by Forever Green NV, LLC (15%), two otherwise unaffiliated parties. Upon receipt of the necessary governmental approval and permitting, as to which there can be no assurance, we expect MediFarm II to operate a medical marijuana cultivation and production facility in Spanish Springs, Nevada.

On September 16, 2014, we formed IVXX for the purpose of producing a line of cannabis flowers and cigarettes, as well as a complete line of cannabis pure concentrates, including: oils, waxes, shatters, and clears. We currently offer these products to approximately 200 select dispensaries in California. IVXX also sells clothing, apparel, and other various branded products.

We formed MediFarm I RE on October 14, 2015. We own 50% of the membership interests in MediFarm I RE. The remaining membership interests are owned by Forever Young Investments, LLC (50%), an otherwise unaffiliated entity. MediFarm I RE is a real estate holding company that owns the real property and building at which a medical marijuana dispensary facility will be located. It is our intention that MediFarm I will operate the medical marijuana dispensary.

Our business segments consist of hydroponic produce and cannabis products. Our hydroponic produce is locally grown hydroponic produce that is started from seed and is grown in environmentally controlled greenhouses. When harvested, the products are sold through retailers targeted to customers seeking fresh produce locally grown using environmentally sustainable methods. This segment consists of Edible Garden's business and operations. Our cannabis products segment consists of IVXX's business, as well as the proposed business operations of MediFarm, MediFarm I, and MediFarm II. IVXX's cannabis products are currently produced in our supercritical Co_2 lab in California and are sold in select dispensaries throughout California. We plan to operate medical marijuana cultivation, production, and dispensary facilities in Nevada through our subsidiaries, MediFarm, MediFarm I, and MediFarm II. We were granted eight provisional permits in Nevada and have received approval from the local authorities with respect to all of the permits. See Note 15, *Segment Information*, in the Notes to the Consolidated Financial Statements for information on our net sales, cost of goods sold, selling, general and administrative expenses, other income (expense), loss from operations, and identifiable assets by segment for the years ended December 31, 2015 and December 31, 2014.

RESULTS OF OPERATIONS

Results of Operations for the year ended December 31, 2015 compared to the year ended December 31, 2014:

Revenues. For the year ended December 31, 2015, we generated revenues of approximately $9.98 million, compared to approximately $7.10 million for the year ended December 31, 2014, an increase of approximately $2.88 million. The increase was primarily due to revenue generated by Edible Garden from the sales of its produce, herbs, and floral products and IVXX from the sale of its cannabis products. At this stage in our development, revenues are not yet sufficient to cover ongoing operating expenses.

Gross Margin. Our gross profits for the year ended December 31, 2015 was approximately $1.02 million, compared to a gross profits of approximately $153,000 for the year ended December 31, 2014, an increase of approximately $864,000. Our gross margin percentage for the year ended December 31, 2015 was approximately 10%, compared to approximately 2% for the year ended December 31, 2014. The increase in gross margin was primarily due to better margins from Edible Garden as a result of the completed greenhouse facility with high-tech Dutch bucket hydroponic equipment and the sales generated from IVXX from the sale of its cannabis products.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the year ended December 31, 2015 were approximately $9.8 million, compared to approximately $18.3 million for the year ended December 31, 2014, a decrease of approximately $8.5 million. The decrease was primarily due to: (i) a decrease of approximately $3.9 million in warrant expense for the year ended December 31, 2015, compared to the prior year period, as a result of less warrants being issued during the year ended December 31, 2015; (ii) a decrease of approximately $3.1 million in legal and accounting expenses for the year ended December 31, 2015, compared to the prior year period, primarily related to the preparation and filing of registration statements and reviewing of contracts performed in the prior year; (iii) a decrease of approximately $1.5 million in compensation expense during the year ended December 31, 2015, compared to the prior year, due to a lower per-share valuation for an equivalent number of shares, compared to such prior year period; (iv) a decrease of approximately $302,500 in director fees during the year ended December 31, 2015 compared to the prior year; and (vi) a decrease of approximately $47,900 in travel costs related to the Nevada permit application fee process during the year ended December 31, 2015, compared to the prior year. These decreases were offset by: (i) an increase of approximately $276,200 compensation paid for consulting services in connection with MediFarm's, MediFarm I's, and MediFarm II's proposed cannabis business in Nevada; (ii) an increase of approximately $206,500 in depreciation for additional farm equipment used by Edible Garden; and (iii) an increase of approximately $135,500 in allowance for doubtful accounts.

Operating Income (Loss). We realized an operating loss of approximately $8.8 million for the year ended December 31, 2015, compared to approximately $18.2 million for the year ended December 31, 2014.

Other Income (Expense). Other expense for the year ended December 31, 2015 was approximately $546,100, compared to approximately $3.99 million for the year ended December 31, 2014. This decrease is primarily due to less debt outstanding during the year ended December 31, 2015 compared to the prior year. For the year ended December 31, 2015, we had an increase in amortization of debt discount in the amount of approximately $696,200 versus $0 in the prior year. We had a loss on the extinguishment of debt of approximately $619,400 versus $0 in the prior year. We had a loss on the issuance of derivatives in the amount of $561,000 for the year ended December 31, 2015, compared to approximately $4.81 million for the year ended December 31, 2014. We had a gain on the fair market valuation of the derivatives in the amount of $1.80 million for the year ended December 31, 2015, compared to a gain of approximately $1.91 million from the same period of the prior year. Interest expense totaled approximately $469,600 for the year ended December 31, 2015, compared to approximately $1.10 million for the year ended December 31, 2014.

Net Income (Loss). We incurred a net loss of approximately $9.23 million, or $0.04 per share, for the year ended December 31, 2015, compared to a net loss of approximately $21.89 million, or $0.13 per share, for the year ended December 31, 2014. The primary reasons for the improvement in net loss are an increase in revenue, a decrease in cost of goods sold (as a percentage of revenue), a significant decrease in sales, general and administrative expenses, and a reduction in the issuance of convertible debt and warrants during the year ended December 31, 2015 compared to the prior year.

Management will continue its efforts to lower operating expenses and increase revenue. We will continue to invest in further expanding our operations and a comprehensive marketing campaign with the goal of accelerating the education of potential clients and promoting our name and our products. Given that most of the operating expenses are fixed or have a quasi-fixed character, management expects that, as revenue increases, those expenses, as a percentage of revenue, will significantly decrease. Nevertheless, there can be no assurance that we will be able to increase our revenues in succeeding quarters.

LIQUIDITY AND CAPITAL RESOURCES

We have never reported net income. We incurred net losses for the year ended December 31, 2015 and have an accumulated deficit of approximately $46.0 million at December 31, 2015. As of December 31, 2015, we had a working capital deficit of approximately $523,600. At December 31, 2015, we had a cash balance of approximately $418,000, compared to a cash balance of approximately $846,700 at December 31, 2014. We have not been able to generate sufficient cash from operating activities to fund our ongoing operations. Since our inception, we have raised capital through private sales of preferred stock, common stock, and debt securities. Our future success is dependent upon our ability to achieve profitable operations and generate cash from operating activities. There is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations.

We anticipate requiring additional capital for the commercial development of our subsidiaries. Assuming MediFarm, MediFarm I, and MediFarm II receive all the necessary permits and licenses applied for, we anticipate we will need an additional $11 million in capital for the commercial development of these subsidiaries. Because none of MediFarm, MediFarm I, or MediFarm II has commenced operations, the $11 million budget as described herein is prospective. With respect to MediFarm, the estimated construction budget (for year one) and operation budget (for the first five years of operation) is approximately $500,000 for the dispensary facilities and approximately $5 million for the cultivation and production facility. With respect to MediFarm I's dispensary facility, the estimated construction budget (for year one) and operation budget (for the first five years of operation) is approximately $500,000. With respect to MediFarm II's cultivation and production facility, the estimated construction budget (for year one) and operation budget (for the first five years of operation) is approximately $5 million. Forever Green NV, LLC, a member of both MediFarm I and MediFarm II, has agreed to contribute approximately $500,000 in the form of debt to MediFarm I and approximately $750,000 in the form of debt to MediFarm II. We will be obligated to contribute the remaining amount, or approximately $9.75 million in the aggregate, for all three subsidiaries.

We will be required to raise additional funds through public or private financing, additional collaborative relationships or other arrangements until we are able to raise revenues to a point of positive cash flow. We believe our existing and available capital resources will be sufficient to satisfy our funding requirements through the third quarter of 2016. We are evaluating various options to further reduce our cash requirements to operate at a reduced rate, as well as options to raise additional funds, including obtaining loans and selling common stock. There is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations, or if we are able to raise capital, that it will be available to us on acceptable terms, on an acceptable schedule, or at all.

The issuance of additional securities may result in a significant dilution in the equity interests of our current stockholders. Obtaining loans, assuming these loans would be available, will increase our liabilities and future cash commitments. There is no assurance that we will be able to obtain further funds required for our continued operations or that additional financing will be available for use when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due and we will be forced to scale down or perhaps even cease our operations.

Due to the uncertainty of our ability to meet our current operating and capital expenses, our independent registered public accounting firms included a note to our consolidated financial statements for the year ended December 31, 2015 regarding concerns about our ability to continue as a going concern. There is substantial doubt about our ability to continue as a going concern as the continuation and expansion of our business is dependent upon obtaining further financing, successful and sufficient market acceptance of our products, and achieving a profitable level of operations. The consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that might result should we be unable to continue as a going concern.

Convertible Debentures

On March 22, 2013, we entered in a Securities Purchase Agreement with certain accredited investors related to the private placement of three 6% Senior Secured Convertible Debentures for aggregate proceeds of $825,000. Each debenture accrued interest at a rate of 6% per annum and was convertible into shares of our Common Stock at the election of the holder at a conversion price equal to 62% of the lowest daily VWAP of the Common Stock as quoted by Bloomberg L.P. for the ten (10) trading days immediately preceding the conversion date. Even though the stated interest rate is 6%, the inputted rate was 60% when giving effect for the conversion feature. The term of each debenture was eight months.

Aegis Capital Corp. ("Aegis") served as the placement agent for the offering. In consideration for services rendered, we: (i) paid cash commissions to the placement agent equal to $66,000, or 8.0% of the gross proceeds received in the offering; (ii) issued to the placement agent, or its designee, a warrant to purchase a number of shares of Common Stock up to 5% of the aggregate number of shares of Common Stock underlying the debentures sold in the offering, at an exercise price equal to the conversion price of the debentures; (iii) paid $5,250 for expenses of the placement agent; and (iv) paid $15,000 for the debenture holders' legal fees.

On April 19, 2013, we sold an additional 6% Senior Secured Convertible Debenture for aggregate proceeds of $250,000. In connection with this issuance, we: (i) paid cash commissions to Aegis, the placement agent, equal to $20,000, or 8.0% of the gross proceeds received in the offering; (ii) issued to the placement agent, or its designee, a warrant to purchase a number of shares of Common Stock up to 5% of the aggregate number of shares of Common Stock underlying the debentures sold in the offering, at an exercise price equal to the conversion price of the debentures; and (iii) paid $1,000 for the debenture holder's legal fees.

On May 3, 2013, we sold an additional 6% Senior Secured Convertible Debenture for aggregate proceeds of $200,000. In connection with this issuance, we: (i) paid cash commissions to Aegis, the placement agent, equal to $16,000, or 8.0% of the gross proceeds received in the offering; (ii) issued to the placement agent, or its designee, a warrant to purchase a number of shares of Common Stock up to 5% of the aggregate number of shares of Common Stock underlying the debentures sold in the offering, at an exercise price equal to the conversion price of the debentures; and (iii) paid $1,000 for the debenture holder's legal fees.

We used the aggregate net proceeds raised from this offering to advance our ability to execute our growth strategy, to aid in the commercial development of GrowOp Technology, and for working capital purposes.

On April 29, 2013, we entered in a common stock purchase agreement with Hanover Holdings I, LLC ("Hanover") for the sale of up to $5,000,000 of our Common Stock over a 36-month term. The purchase agreement provided that from time to time over the term of the purchase agreement, commencing on the trading day immediately following the date on which the initial registration statement was declared effective by the SEC, we had the discretion to provide Hanover with draw down notices to purchase a specified dollar amount of the shares of Common Stock over the course of a 10-day trading day period, subject to certain limitations as specified in the purchase agreement. We paid an initial commitment fee to Hanover equal to $125,000 (or 2.5% of the total commitment under the agreement) in the form of 595,239 restricted shares of Common Stock. We also paid $15,000 in reasonable attorneys' fees and expenses incurred by Hanover in connection with the preparation, negotiation, execution, and delivery of the purchase agreement and related transaction documents.

Pursuant to a registration rights agreement entered into with Hanover, we agreed to file an initial registration statement with the SEC to register an agreed upon number of shares. On September 30, 2013, the SEC declared effective our registration statement on Form S-1, as amended (File No. 333-188477), which registered 10,085,259 shares of our Common Stock pursuant to the terms of the common stock purchase agreement and 595,239 shares of our Common Stock we issued as the "initial commitment fee."

On October 16, 2013, we put 4,448,314 shares of Common Stock to Hanover, raising aggregate proceeds of approximately $271,538. We paid a 3% commission fee to Aegis in the amount of approximately $8,146.

On November 6, 2013, we put 2,869,957 shares of Common Stock to Hanover, raising aggregate proceeds of approximately $169,182. We paid a 3% commission fee to Aegis in the amount of approximately $5,075.

On December 4, 2013, we put 2,766,988 shares of Common Stock to Hanover, raising aggregate proceeds of approximately $168,325. We paid a 3% commission fee to Aegis in the amount of approximately $5,050.

On January 24, 2014, the SEC declared effective our registration statement on Form S-1, as amended (File No. 333-191954), which registered 19,000,000 shares of Common Stock put to Hannover pursuant to the common stock purchase agreement.

Subsequent to the effectiveness of the registration statement, we put 6,600,000 shares of Common Stock to Hanover, raising aggregate proceeds of approximately $4,014,919. We paid a 3% commission fee to Aegis in the amount of approximately $120,448.

On June 27, 2014, the SEC declared effective a Post-effective Amendment No. 1 to the registration statement to deregister the remaining 12,400,000 shares of our Common Stock that remained unsold. We have determined not to put the remaining 12,400,000 shares of Common Stock to Hanover.

Units

On October 24, 2013 we offered and sold 10,608,667 units to 15 accredited investors, at a purchase price of $0.06 per unit, for aggregate proceeds of $636,520. Each unit consists of one share of Common Stock and one warrant to purchase one share of Common Stock at an exercise price of $0.06 per share. The warrants may be exercised at any time, and have a term of three years.

On June 24, 2015, we offered and sold 14,946,119 units to 3 accredited investors, at a purchase price of $0.1375 per unit, for aggregate proceeds of $2,055,000. Each unit consists of one share of Common Stock and one warrant to purchase one share of Common Stock at an exercise price of $0.20625 per share. The warrants may be exercised at any time, and have a term of three years.

Warrants

We received $293,420 and $0 from the exercise of warrants during the years ended December 31, 2014 and 2015, respectively.

Promissory Notes

Fiscal 2015

On February 27, 2015, we entered into a Securities and Purchase Agreement with certain purchasers relating to the issuance and sale of (i) 12% Convertible Promissory Notes in the aggregate principal amount of Three Million Dollars ($3,000,000) that are convertible into shares of our Common Stock, and (ii) warrants to acquire shares of our Common Stock. The purchase of the notes is expected to occur in six (6) tranches, with the first tranche of $750,000 closing simultaneously with the execution of the agreement. We agreed to reimburse the purchasers $15,000 for legal fees incurred in connection with the offering that was paid at the closing of the first tranche. Aegis, the placement agent, was paid approximately $31,000 at the closing of the first tranche and will be paid additional compensation at the closing of each subsequent closing.

Each note accrues interest at 12% per annum, of which twelve months interest is guaranteed, payable on each conversion date for the principal amount being converted and on the maturity date in either cash or, at the holder's option, in shares of Common Stock. All principal and interest due and owing under each note is convertible into shares of our Common Stock, at any time at the election of the holder, at a conversion price equal to 75% of the lowest VWAP in the prior 20 trading days immediately before the conversion date. We also agreed to issue to the purchasers a series of warrants to purchase up to that number of shares of Common Stock equal to 25% of the principal amount of the note issuable to the purchasers at the applicable closing divided by the conversion price of the note.

On December 13, 2015, we entered into a Securities Purchase Agreement with certain purchasers relating to the issuance and sale of 12% Convertible Promissory Notes in the aggregate principal amount of Five Hundred Thousand Dollars ($500,000). We agreed to reimburse the purchasers $15,000 for legal fees incurred in connection with the offering that was paid at the closing. Aegis, the placement agent, was paid approximately $27,000 at the closing.

Each note accrues interest at 12% per annum, of which twelve months interest is guaranteed, payable on each conversion date for the principal amount being converted and on the maturity date in either cash or, at the holder's option, in shares of Common Stock. All principal and interest due and owing under each note is convertible into shares of our Common Stock, at any time at the election of the holder, at a conversion price equal to 75% of the lowest VWAP in the prior 20 trading days immediately before the conversion date.

Fiscal 2014

During the year ended December 31, 2014, we obtained new debt from the issuance of secured promissory notes that supplied the funds that were needed to finance operations during the reporting period. Such new borrowings resulted in the receipt of $7,344,737. The proceeds received by us include the sale of an aggregate of $6,550,000, net of a five percent original issue discount ("OID"), of promissory notes to Dominion. The OID, aggregated, is approximately $344,737. All principal and interest due and owing under each such note is convertible into shares of Common Stock at a conversion price equal to approximately $0.30753 per share, subject to adjustment. Each such note accrues interest at a rate of 12% per annum and has a maturity date of 18 months after issuance. The notes were sold to Dominion at various times from February 2014 through July 2014. In connection with the issuance of the notes to Dominion, we also issued to Dominion warrants to purchase up to that number of shares of Common Stock equal to 50% of the principal amount of the notes issuable divided by the conversion price. As of February 5, 2014, the date we entered into the purchase agreement with Dominion, the warrants were exercisable for total of 11,491,228 shares of Common Stock.

In addition, related parties contributed $102,500 in fiscal year 2011 in exchange for unsecured non-convertible note payables. We repaid these notes in March of 2014, and therefore have no further obligations.

Equity Line

On December 22, 2014, we entered into a Common Stock Purchase Agreement with Magna Equities II, LLC, a New York limited liability company

("Magna"), providing for an equity financing facility. The agreement provides that, upon the terms and subject to the conditions in the agreement, Magna is committed to purchase up to 57,000,000 shares of our Common Stock over the 24-month term of the agreement. Magna is not obligated to purchase shares of Common Stock unless and until certain conditions are met, including, but not limited to a registration statement on Form S-1 becoming effective which registers Magna's resale of any shares purchased by it under the equity line.

We agreed to pay to Manga a commitment fee for entering into the agreement equal to $125,000 in the form of 416,667 shares of our Common Stock, calculated using the closing price of a share of Common Stock as reported on the OTC Market Group, Inc.'s OTCQB tier on the trading day immediately preceding the date of the agreement. We also agreed to pay $20,000 of reasonable attorneys' fees and expenses incurred by Magna's counsel in connection with the preparation of the purchase agreement and related transaction documents. We also agreed to pay 2% from each draw down under the equity line to the placement agent.

In connection with our obligation to register for resale all of the shares of Common Stock issuable under the equity line, we filed with the SEC a registration statement on Form S-1 on December 24, 2014.

Operating Activities

Cash used in operations for the year ended December 31, 2015 was approximately $5.13 million, compared to approximately $7.85 million for the year ended December 31, 2014.The decrease in the cash used in operations was primarily due to: (i) an improvement in net loss for the year ended December 31, 2015, compared to the year ended December 31, 2014; (ii) an approximately $1.80 million gain on the fair market value of derivatives for the year ended December 31, 2015, compared to an approximately $1.91 million gain on the fair market value of derivatives for the year ended December 31, 2014; (iii) the increase in the amortization of debt discount of approximately $696,200 for the year ended December 31, 2015 versus $0 for the year ended December 31, 2014; (iv) the reduction of warrant expense of approximately $1.15 million for the year ended December 31, 2015, compared to approximately $5.04 million for the year ended December 31, 2014; (v) a reduction in stock issued for compensation and services in the amount of approximately $1.69 million for the year ended December 31, 2015, compared to approximately $6.74 million for the year ended December 31, 2014; (vi) a reduction from the equity instruments issued with debt greater than debt carrying value in the amount of $561,000 for the year ended December 31, 2015, compared to approximately $4.81 million for the year ended December 31, 2014; and (vii) an approximately $1.16 million increase in accounts payable for the year ended December 31, 2015 as compared to the prior year period.

Investing Activities

Cash used in investing activities for the year ended December 31, 2015 was approximately $1.85 million, compared to cash used by investing activities of approximately $2.35 million for the year ended December 31, 2014. During fiscal 2015, cash used in investing activities was primarily comprised of expenditures related to the purchase of land and buildings in addition to the construction of MediFarm's dispensaries. During fiscal 2014, cash used in investing activities was primarily comprised of expenditures related to the construction of Edible Garden's greenhouse facility and related equipment.

Financing Activities

Cash provided by financing activities for the year ended December 31, 2015 was approximately $6.55 million, compared to cash provided by financing activities of approximately $11.02 million for the year ended December 31, 2014. The cash provided by financing activities in fiscal 2015 was primarily due to: (i) $2.15 million proceeds from the issuance of notes; and (ii) $3.98 million from the sale of Common Stock and warrants.The cash provided by financing activities in fiscal 2014 was primarily due to: (i) approximately $7.34 million in proceeds from the issuance of notes payable; (ii) approximately $4.01 million in proceeds from the issuance of 6,600,000 shares of Common Stock to Hannover; and (iii) approximately $293,420 in proceeds from the exercise of warrants, offset by payments on notes payable equal to $303,474 and payments on notes payable to related parties equal to $130,000.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES

Use of Estimates

The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although we believe that these estimates are reasonable, actual results could differ from those estimates given in conditions or assumptions that have been consistently applied.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks, money market funds, and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value. We had cash and cash equivalents equal to $418,082 as of December 31, 2015.

Accounts Receivable

Accounts receivable are customer obligations due under normal trade terms. We review all outstanding accounts receivable for collectability on a quarterly basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. We do not accrue interest receivable on past due accounts receivable. There was an allowance of $168,619 at December 31, 2015 and $49,168 at December 31, 2014.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets: 3-8 years for machinery and equipment, leasehold improvements are amortized over the shorter of the estimated useful lives or the underlying lease term. Buildings are depreciated over 32 years. Repairs and maintenance expenditures which do not extend the useful lives of related assets are expensed as incurred.

Intangibles

Intangible assets with definite lives are amortized, but are tested for impairment annually and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Our annual testing date is December 31. We test intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to its carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment. We test these intangibles for impairment by comparing their carrying value to current projections of discounted cash flows attributable to the customer list. Any excess value over the amount of discounted cash flows represents the amount of the impairment.

Revenue Recognition

Revenue is recognized net of discounts, rebates, promotional adjustments, price adjustments and estimated returns and upon transfer of title and risk to the customer which occurs at shipping (F.O.B. terms). Upon shipment, we have no further performance obligations and collection is reasonably assured as the majority of sales are paid for prior to shipping.

Research and Development

Research and development costs are expensed as incurred.

Fair Value of Financial Instruments

We apply fair value accounting in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which provides the framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities. ASC 820 defines fair value as the exchange price that would have been received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market

participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable.

Level 3 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Our valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. We have not elected the fair value option for any eligible financial instruments.

Prepaid Inventory

Prepaid inventory represents deposits made to foreign manufacturers for purchase orders of specific inventory.

Income Taxes

We provide for income taxes based on enacted tax law and statutory tax rates at which items of income and expenses are expected to be settled in our income tax return. Certain items of revenue and expense are reported for Federal income tax purposes in different periods than for financial reporting purposes, thereby resulting in deferred income taxes. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. We have incurred net operating losses for financial-reporting and tax-reporting purposes. Accordingly, for Federal and state income tax purposes, the benefit for income taxes has been offset entirely by a valuation allowance against the related federal and state deferred tax asset for the year ended December 31, 2014 and the year ended December 31, 2015.

Loss Per Common Share

Net loss per share, in accordance with the provisions of ASC 260, "Earnings Per Share" is computed by dividing net loss by the weighted average number of shares of Common Stock outstanding during the period. During a loss period, the effect of the potential exercise of stock options, warrants, convertible preferred stock, and convertible debt are not considered in the diluted income (loss) per share calculation since the effect would be anti-dilutive. The results of operations were a net loss for the year ended December 31, 2015, and, therefore, the basic and diluted weighted average common shares outstanding were the same.

Recently Issued Accounting Standards

Leases – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 requires entities to recognize right-of-use assets and lease liabilities on the balance sheet for the rights and obligations created by all leases, including operating leases, with terms of more than 12 months. The new standard also requires additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative information. The new standard will be effective for us on January 1, 2019. Early adoption is permitted. We are in the process of evaluating the impact the adoption of this standard will have on our consolidated financial statements and related disclosures.

Balance Sheet Classification of Deferred Taxes – In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"). ASU 2015-17 requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The new standard is effective for public entities for annual periods beginning after December 15, 2016, with early adoption allowed on either a prospective or retrospective basis. We adopted ASU 2015-17, on a prospective basis, for our annual period ending December 31, 2015. Accordingly, the accompanying consolidated balance sheet at December 31, 2015 reflects the presentation of deferred tax assets and deferred tax liabilities in accordance with ASU 2015-17. As permitted under ASU 2015-17, the accompanying consolidated balance sheet for December 31, 2014 has not been retrospectively adjusted.

Inventory Measurement – In July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory ("ASU 2015-11"), which requires entities to measure inventory at the lower of cost and net realizable value ("NRV"). ASU 2015-11 defines NRV as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The ASU will not apply to inventories that are measured by using either the last-in, first-out method or the retail inventory method. The guidance in ASU 2015-11 is effective prospectively for fiscal years beginning after December 15, 2016, and interim periods therein. Early adoption is permitted. Upon transition, entities must disclose the nature of and reason for the accounting change. We do not expect that the adoption of this standard will have a material effect on our consolidated financial statements.

Going Concern Disclosures – In August 2014, the FASB issued ASU No. 2014-15: Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We do not expect that the adoption of this standard will have a material effect on our consolidated financial statements.

Management does not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

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

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this Item.

Item 8. Financial Statements and Supplementary Data.

See index at page F-1 for the Financial Statements for each of the years in the two-year period ended December 31, 2015.

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

None.

Item 9A.Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the fiscal year ended December 31, 2015, we carried out an evaluation, under the supervision and with the participation of members of our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Exchange Act. Our CEO and our CFO have concluded, based on their evaluation, that as of December 31, 2015, our disclosure controls and procedures were not effective at the end of the fiscal year to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit with the SEC under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process, including policies and procedures, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles. Our management assessed our internal control over financial reporting based on the 2013 version of the *Internal Control —Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of this assessment, our management concluded that our internal control over financial reporting was not effective as of December 31, 2015 based on such criteria. Deficiencies existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that may be considered to be material weaknesses. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (i) lack of a majority of independent members and a lack of a majority of outside directors on our Board, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; and (ii) inadequate segregation of duties consistent with control objectives. Management believes that the lack of a majority of outside directors on our Board results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met under all potential conditions, regardless of how remote, and may not prevent or detect all errors and all fraud. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Terra Tech have been prevented or detected. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Auditor's Report on Internal Control over Financial Reporting

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the SEC that permit us to provide only management's report in this Annual Report.

Changes in Internal Controls over Financial Reporting

In connection with our continued monitoring and maintenance of our controls procedures as part of the implementation of Section 404 of the Sarbanes-Oxley Act, we continue to review, test, and improve the effectiveness of our internal controls. There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter and since the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

We filed an Amended and Restated Certificate of Designation of Series B Preferred Stock (the "Amended Series B Certificate") with the Secretary of State of the State of Nevada, effective March 29, 2016. The Amended Series B Certificate decreased the number of authorized shares of Series B Preferred Stock, specified a liquidation preference, clarified the provisions related to adjustments to the conversion rate upon certain events, and made such other amendments as our Board deemed necessary. Pursuant to the terms of the Amended Series B Certificate, the holders are granted the following rights and preferences:

- No dividends will be paid on the Series B Preferred Stock;
- The holders of the Series B Preferred Stock are entitled to a liquidation preference equal to $0.005384325537 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference (but equal with the holders of our Series Z Preferred Stock) to the holders of the Common Stock, but subordinate in preference to any sum to which the holders of our Series A Preferred Stock are entitled;
- The holders of the Series B Preferred Stock have the same voting rights as the holders of the Common Stock and each share of Series B Preferred Stock is entitled to the number of votes equal to one hundred (100) shares of Common Stock;
- Each share of Series B Preferred Stock is convertible into 5.384325537 shares of Common Stock, and such conversion rate is subject to adjustment upon the occurrence of certain events;

- The conversion rate is subject to the following adjustments: (i) if we effect a forward stock split, the conversion rate (expressed as a quotient) shall be proportionately decreased so that the number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock increases in proportion to such increase in the aggregate number of shares of Common Stock outstanding; (ii) if we effect a reverse split or combination, no adjustments shall be made; (iii) if we set a record date for the holders of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock, then the conversion rate (expressed as a quotient) shall be decreased; (iv) if we set a record date for the holders of Common Stock entitled to receive a dividend or other distribution payable in our securities, other than shares of Common Stock, then the conversation rate shall be adjusted to ensure that the holders of the Series B Preferred Stock receive, in addition to the shares of Common Stock issuable upon conversion of the Series B Preferred Stock, such number of securities that they would have received had their Series B Preferred Stock been converted into Common Stock on the record date; (v) if our Common Stock is changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution, or otherwise, then, in each event, the conversion rate shall be adjusted so that each holder of Series B Preferred Stock has the right to convert such share of Series B Preferred Stock into the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution, or other change, by holders of the number of shares of Common Stock into which such shares of Series B Preferred Stock might have been converted immediately prior to such reclassification, exchange, substitution, or other change; and (vi) if there is a capital reorganization of the Company, or a merger or consolidation of the Company with or into another entity where the holders of the outstanding voting securities prior to such merger or consolidation do not own more than 50% of the outstanding voting securities of the merged or consolidated entity, immediately after such merger or consolidation, or the sale of all or substantially all of our properties or assets to any other person, then as part of such change a revision to the conversion rate shall be made if necessary to ensure that the holders of the Series B Preferred Stock have the right to convert such shares of Series B Preferred Stock into the kind and amount of shares of stock and other securities or property of ours or any successor corporation resulting from such change;

- A holder of Series B Preferred Stock cannot convert less than fifty (50) shares of Series B Preferred Stock at any one time, unless the holder holds less than fifty (50) shares and converts all such shares held by it at that time; and

- No fractional shares of Common Stock are to be issued upon conversion of the Series B Preferred Stock.

Effective March 29, 2016, we also designated two additional series of preferred stock: (i) Series Z Preferred Stock and (ii) Series Q Preferred Stock, by filing Certificates of Designation with the Secretary of State of the State of Nevada. The Certificate of Designation of Series Z Preferred Stock (the "Series Z Certificate") designates 8,300 shares as Series Z Preferred Stock and is intended to mirror the rights of the holders of the Series B Preferred Stock. Each share of Series Z Preferred Stock is convertible into 1,857 shares of Series B Preferred Stock immediately upon us filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of the potential acquisition of Black Oak. The holders of the Series Z Preferred Stock are entitled to a liquidation preference equal to $10 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference (but equal with the holders of our Series B Preferred Stock) to the holders of the Common Stock, but subordinate in preference to any sum to which the holders of our Series A Preferred Stock are entitled.

The Certificate of Designation of Series Q Preferred Stock (the "Series Q Certificate") designates 21,600 shares as Series Q Preferred Stock. Each share of Series Q Preferred Stock is convertible into 5,000 shares of our Common Stock immediately upon us filing with the Secretary of State of the State of Nevada an Amendment to our Articles of Incorporation to increase our authorized capital for, among other reasons, satisfaction of the terms of the potential acquisition of Black Oak. Pursuant to the terms of the Series Q Certificate, the holders of the Series Q Preferred Stock are granted the following rights and preferences:

- No dividends will be paid on the Series Q Preferred Stock;
- The holders of the Series Q Preferred Stock are entitled to a liquidation preference equal to $0.001 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference to the holders of the Common Stock, but subordinate in preference to any sum to which the holders of any shares of any other series of our preferred stock are entitled;
- The holders of the Series Q Preferred Stock have the same voting rights as the holders of the Common Stock and each share of Series Q Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series Q Preferred Stock could then be converted; and

- No fractional shares of Common Stock are to be issued upon conversion of the Series Q Preferred Stock.

Copies of the Series B Certificate, Series Z Certificate, and Series Q Certificate are attached as exhibits to this Annual Report on Form 10-K.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth the names and ages of our current directors and executive officers, the principal offices and positions held by each person, and the year such director or officer commenced serving in such capacity:

Name	Director or Officer Since	Age	Positions
Derek Peterson	2012	41	President and Chief Executive Officer, and Chairman of the Board
Amy Almsteier	2012	34	Director
Kenneth P. Krueger	2015	73	Director
Michael James	2011	57	Chief Financial Officer
Michael A. Nahass	2012	50	Secretary, Treasurer, and Director
Steven J. Ross	2012	57	Director
Kenneth Vande Vrede	2013	39	Chief Operating Officer and Director
Steven Vande Vrede	2013	30	Director
Michael Vande Vrede	2013	36	Director

Derek Peterson
President and Chief Executive Officer, Chairman of the Board

Mr. Peterson has served as our President and Chief Executive Officer, and Chairman of the Board, since February 9, 2012. Mr. Peterson began his career in finance with Crowell, Weedon & Co, the largest independent broker-dealer on the West Coast. In his 6 years there, Mr. Peterson became a partner and Branch supervisor where he was responsible for sales of over $10 million. Mr. Peterson was offered an opportunity to build a southern Orange County presence for Wachovia Securities, where he became the first Vice President and Branch Manager for their Mission Viejo location. He was instrumental in growing that office from the ground up, into the $15 million dollar office it is today. After his term at Wachovia Securities, Mr. Peterson accepted an opportunity for a Senior Vice President position with Morgan Stanley Smith Barney, where he and his team oversaw combined assets of close to $100 million. In addition, he has also been involved in several public and private equity financings, where he has personally funded several projects from angel to mezzanine levels. Mr. Peterson is a CFPȮ Professional and holds his Series 7, General Securities Sales Supervisor Series 9 and 10, National Commodity Futures Series 3, Series 65 and California Insurance License. Mr. Peterson holds a degree in Business Management from Pepperdine University. Mr. Peterson also owns a 12% interest in Black Oak, which operates a medical marijuana dispensary located in Oakland, California. As a co-owner of Black Oak, Mr. Peterson has worked with governmental agencies and tax authorities in Oakland, including working with the city to establish medical cannabis ordinances, competed for a permit to operate, and responded to a city request for proposal. Mr. Peterson's experiences gained through these matters will assist us in launching and operating the proposed medical marijuana cultivation, production and dispensary businesses of MediFarm, MediFarm I, and MediFarm II, as well as IVXX's launch of its line of cannabis flowers, cigarettes, and pure concentrates. Mr. Peterson's background in investment banking led to our conclusion that he should serve as a director in light of our business and structure.

Amy Almsteier
Secretary, Treasurer, and Director

Ms. Almsteier has served a Director since February 9, 2012. Ms. Almsteier was Secretary and Treasurer from February 9, 2012 until July 20, 2015. Ms. Almsteier began her career running a commercial and residential remodeling firm based in Orange County, California. She has spent the last decade working in the design industry where she morphed into a commercial "green" consultant focusing on space planning and commercial design using renewable and recycled materials and systems. She has become an expert in renewable energy solutions including solar, natural gas and reverse osmosis systems. She has worked with hundreds of clients in an effort to build and design award winning projects with the lowest possible carbon footprint. Ms. Almsteier graduated with a Bachelor's of Science in Design from the University of Nebraska Lincoln's College of Architecture and studied abroad at American Intercontinental University in London, England. Ms. Almsteier's background in design led to our conclusion that she should serve as a director in light of our business and structure.

Kenneth P. Krueger
Director

Mr. Kruger has served as a Director since November 2, 2015. Mr. Krueger has been an investment professional since 1967. He is the co-founder of Canterbury Consulting, an independent consulting firm established in 1988 to provide comprehensive investment advice to institutional clients and high net worth individuals. Mr. Krueger served as Canterbury Consulting's Chairman of the Board of Directors from 1996 to 1997, founding board member from 1988 to 2011, President from 1997 to 2000, Chief Financial Officer from 1988 to 1996, and Head of Compliance from 1997 to 1998. Mr. Krueger has gained significant experience in designing and implementing internal controls, policies, and procedures, as well as overseeing regulatory compliance and corporate responsibility as required by the rules and regulations of the SEC and The NASDAQ Stock Market, LLC. Prior to founding Canterbury Consulting, Mr. Krueger was with Kidder, Peabody & Co., and prior to that, was with Dean Witter & Company. Mr. Krueger earned a degree in Marketing from the University of Wisconsin, and completed graduate work at the University of Southern California. Mr. Krueger's expertise in marketing, human resources, budgeting, leadership, collaboration,and legalities, as well as his perspective on best practices and corporate governance matters and his approach to creating stockholder value, qualifies him for service as one of our directors.

Michael James
Chief Financial Officer

Mr. James has served as our Chief Financial Officer since April 17, 2011. In addition to this role, Mr. James has served as the Chief Executive Officer and Chief Financial Officer of Inergetics, Inc. since June 11, 2012. Previously, Mr. James served as Chief Executive Officer of Nestor, Inc. ("Nestor") where he successfully completed a financial restructuring of Nestor prior to its sale in September 2009 from the Receiver's Estate in Superior Court of the State of Rhode Island. He also served on Nestor's Board of Directors from 2006 to 2009. Mr. James has been the Managing Partner of Kuekenhof Capital Management, LLC, a private investment management company, for the past ten years where he continues to serve as Managing Director of Kuekenhof Equity Fund, L.P. and Kuekenhof Partners. Mr. James is also a Chairman of the Board of Guided Therapeutics, Inc. where he serves as Chairman of the Audit Committee and as a member of the Compensation Committee. During his career, Mr. James has served as: a Partner at Moore Capital Management, Inc., a premiere private investment management company; as Chief Financial and Administrative Officer at Buffalo Partners, L.P., a private investment management company; and as Treasurer and Chief Financial Officer of National Discount Brokers. Mr. James began his career in 1980 as a staff accountant with Eisner, LLP.

Michael Nahass
Secretary, Treasurer, and Director

Mr. Nahass has served as a Director since January 26, 2012, and as our Secretary and Treasurer since July 20, 2015. Previously, Mr. Nahass served as our President, Secretary and Treasurer from January 26, 2012 until February 9, 2012. Since August 2011, Mr. Nahass has served as Managing Director of Arque Capital, Ltd., of Irvine, California. From September 2009 until August 2011, Mr. Nahass was a Partner, and served as Managing Director/Chief Operating Office of, NMS Capital Asset Management, Inc. ("NMS Capital"). Additionally, while at NMS Capital, Mr. Nahass served as Chief Portfolio Manager of the NMS Platinum Funds, LLC. From February 1995 until April 2007, Mr. Nahass was employed in various positions at Morgan Stanley, where his last position was Senior Vice President and Complex Manager, where he directly managed over 200 financial advisors with approximately $20 billion in assets under management. With over 20 years of financial services experience, Mr. Nahass has been and is responsible for private client services, business development, regulatory compliance and strategic development. Mr. Nahass holds a B.S. in Business Administration (1988) from Fairleigh Dickenson University. In addition he also holds NASD Series 3 (National Commodity Futures), Series 7 (General Securities Representative), Series 8 (Supervisory), Series 31 (Managed Futures) and Series 65 (Investment Advisor Representative) licenses. Mr. Nahass's background in investment banking led to our conclusion that he should serve as director in light of our business and structure.

Steven J. Ross
Director

Mr. Ross has served as a Director since July 23, 2012. Mr. Ross has over 30 years of senior management experience, ranging from high growth private companies to multi-billion dollar divisions of public enterprises. Mr. Ross joined Ecolane as its worldwide Chief Executive Officer in August, 2013, following a consulting engagement as Interim Chief Executive Officer. Ecolane is a private Helsinki, Finland-based software company providing disruptive, specialized software and support services for transportation scheduling, dispatching and tracking. U.S. operations are headquartered in King of Prussia, Pennsylvania, where Ecolane supports statewide contracts in Pennsylvania, Nebraska, Florida, and numerous state and local transportation agencies throughout the United States. Mr. Ross is also a Senior Advisor to MTN Capital Partners ("MTN"), a New York-based private equity firm focused on lower middle market transactions. Mr. Ross joined MTN in 2011 as a Managing Director after completing the sale of his previous business. Mr. Ross is also the Lead Director for the Longhai Steel Company, a major steel wire producer based in Xingtai, China. Previously, Mr. Ross was Chief Executive Officer of National Investment Managers from 2006 until its sale to a private equity firm in 2011. Under Mr. Ross' leadership, the company became the largest independent retirement services company in the country with over $11 billion in assets under administration and operations in 17 cities in the United States.

Between 2001 and 2006, Mr. Ross served as Chairman and Chief Executive Officer of DynTek. During his tenure, he successfully transitioned the company from a $5 million software development company to a leading provider of information technology services with annual revenues of over $100 million. From 1998 to 2001, Mr. Ross was Vice President and General Manager of the Computer Systems Division of Toshiba America ("Toshiba") with overall responsibility for Toshiba's $3 billion computer business in the United States and South America. Prior to joining Toshiba, from 1996 to 1998, Mr. Ross served as President & General Manager – Computer Reseller Division and President of Corporate Marketing at Inacom, a $7 billion Fortune 500 provider of computer products and services. He directed Inacom's largest operating division, at $2.5 billion, as well as overall corporate and strategic marketing. Prior to his employment at Inacom, Mr. Ross served as Senior Vice President, Sales & Business Development, for Intelligent Electronics, a $3.5 billion Fortune 500 computer reseller, at the time the largest independent supplier of information technology in the United States. Mr. Ross has also held senior management positions at Dell Computer Corporation and PTXI/Bull HN Information Systems.

Mr. Ross has served as Vice-Chairman of the board of the Computing Technology Industry Association (COMPTIA) and as a board member of the US Internet Industry Association (USIIA). Mr. Ross is an alumnus of Harvard University and a graduate of the Advanced Management Program at Harvard Business School. Mr. Ross's business experience led to our conclusion that he should serve as director in light of our business and structure.

Kenneth Vande Vrede
Chief Operating Officer and Director

Mr. Vande Vrede has served as Chief Operating Officer and a Director since February 25, 2013. Mr. Vande Vrede has also served as President of Gro-Rite since January 2012. Gro-Rite is a New Jersey-based retail business that sells products and services related to greenhouse technology, and innovative and sustainable growing techniques. From January 2006 until December 2011, Mr. Vande Vrede served as Vice President of Gro-Rite. From March 1996 until December 2005, he served as Manager of Gro-Rite. Since September 2010, Mr. Vande Vrede has served as Director of New Business and Marketing at Edible Garden. Since January 2007, Mr. Vande Vrede has served as Managing Partner at Naturally Beautiful Plant Products LLC. Mr. Vande Vrede is also currently an owner of Gro-rite Landscape Services LLC. Mr. Vande Vrede attended Montclair State University from 1996 until 1999, where he majored in Business. Mr. Vande Vrede's entrepreneurial experience and success in gardening retail and specialty farming, evidenced by his ideas that led to the establishment of the businesses in which he works, and his management experience, led to our conclusion that Mr. Vande Vrede should serve as a member of our Board in light of our business and structure.

Steven Vande Vrede
Director

Mr. Vande Vrede has served as a Director since April 24, 2013. Since September 2010, Mr. Vande Vrede has served as Director of New Business and Marketing at Edible Garden. Mr. Vande Vrede has also served as Vice-President of Naturally Beautiful Plant Products LLC, since January 2007. Mr. Vande Vrede is currently an owner of Gro-rite Landscape Services LLC. From 2003 to 2005, Mr. Vande Vrede attended Quinnipiac University, and from 2005 to 2007, he attended William Patterson University, where he obtained a degree in Business Finance Management. Mr. Vande Vrede's experience in finance, gardening retail and specialty farming led to our conclusion that Mr. Vande Vrede should serve as a member of our Board in light of our business and structure.

Michael Vande Vrede
Director

Mr. Vande Vrede has served as a Director since April 24, 2013. Since September 2010, Mr. Vande Vrede has also served as a director of Edible Garden. He has also served as President of Naturally Beautiful Plant Products LLC since January 2007, and is also currently an owner of Gro-rite Landscape Services LLC. Mr. Vande Vrede's experience as President of Naturally Beautiful Plant Products LLC led to our conclusion that Mr. Vande Vrede should serve as a member of our Board in light of our business and structure.

Director Qualifications

We believe that our directors should have the highest professional and personal ethics and values, consistent with our values and standards. They should have broad experience at the policy-making level in business or banking. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties for us. Each director must represent the interests of all stockholders. When considering potential director candidates, the Board also considers the candidate's character, judgment, diversity, age and skills, including financial literacy and experience in the context of our needs and the needs of the Board.

Employment Agreements

We currently do not have any employment agreements with any of our directors or executive officers.

Pursuant to an Independent Director Agreement dated July 23, 2012 by and between us and Steven J. Ross (the "Initial Ross Independent Director Agreement"), we agreed to pay Mr. Ross $2,000 per month, commencing immediately following any financing, either debt or equity, in excess of $1,000,000 that we receive during his term as a director. We also issued to Mr. Ross, an aggregate of 300,000 restricted shares of Common Stock (such cash payment and the issuance of restricted shares, the "Compensation"), of which one-half of the shares vested on the date of appointment, and the

remaining one-half of the shares vested on May 31, 2013. The Board reserved the right to change the cash portion of the Compensation from time to time, to take into consideration the responsibilities associated with serving on the various committees and to grant additional restricted shares periodically, which may vary from the terms described above. We entered into a new Independent Director Agreement (the "Ross Independent Director Agreement") with Mr. Ross, effective July 1, 2014. Under the Ross Independent Director Agreement, Mr. Ross was entitled to 200,000 shares of Common Stock. Mr. Ross received these shares on July 9, 2014.

We and Mr. Ross also entered into an Indemnification Agreement dated July 23, 2012 (the "Ross Indemnification Agreement"), whereby we agreed to indemnify Mr. Ross, subject to certain exceptions, for claims against him that may arise in connection with the performance of his duties as one of our directors.

In connection with Kenneth P. Krueger's appointment to the Board, we and Mr. Krueger entered into an Independent Director Agreement, dated as of November 2, 2015 (the "Krueger Independent Director Agreement"), and an Indemnification Agreement, dated as of November 2, 2015 (the "Krueger

Indemnification Agreement"). Pursuant to the Krueger Independent Director Agreement, we agreed to issue to Mr. Krueger an aggregate of 350,000 restricted shares of our Common Stock, to be fully vested on the date of appointment. The Board reserves the right to compensate Mr. Krueger further from time to time to take into consideration the responsibilities associated with his continued service on the Board and, if any, different committees thereof, the form and amount of which compensation to be within the Board's sole and absolute discretion. Pursuant to the Krueger Indemnification Agreement, we agreed to indemnify Mr. Krueger, subject to certain exceptions, for claims against him that may arise in connection with the performance of his duties as one of our directors.

Family Relationships

Derek Peterson, our President, Chief Executive Officer, and Chairman of the Board, is the spouse of Amy Almsteier, a director and a greater than 5% stockholder.

Kenneth Vande Vrede, Michael Vande Vrede, and Steven Vande Vrede are brothers as well as Dan Vande Vrede. Dan Vande Vrede owns 1,609,500 shares of Series B Preferred Stock, convertible into 8,666,072 shares of Common Stock. Dave Vande Vrede is the father of Kenneth Vande Vrede, Michael Vande Vrede, Steven Vande Vrede, and Dan Vande Vrede. Dave Vande Vrede owns 306,000 shares of Series B Preferred Stock, convertible into 1,647,604 shares of Common Stock.

There are no other family relationships between any of our directors or executive officers and any other directors or executive officers.

Involvement in Certain Legal Proceedings

Other than as disclosed below, to our knowledge, our directors and executive officers have not been involved in any of the following events during the past ten years:

- Any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
- Being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- Being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- Being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

On February 22, 2012, Mr. Peterson filed a petition for bankruptcy in the United States Bankruptcy Court for the Central District of California. This has been discharged.

On May 13, 2009, Mr. Nahass filed a petition for bankruptcy in the United States Bankruptcy Court for the Central District of California, Case No. 8:09-bk 14465-TA. The discharge date was August 17, 2011.

Code of Ethics

On November 4, 2015, our Board approved and adopted a Code of Ethics (the "Code of Ethics") that applies to all of our directors, officers, and employees, including our principal executive officer and principal financial officer. The Code of Ethics addresses such individuals' conduct with respect to, among other things, conflicts of interests; compliance with applicable laws, rules, and regulations; full, fair, accurate, timely, and understandable disclosure by us; competition and fair dealing; corporate opportunities; confidentiality; insider trading; protection and proper use of our assets; fair treatment; and reporting suspected illegal or unethical behavior. The Code of Ethics is available on our website at http://ir.terratechcorp.com/governance-docs.

Term of Office

Our directors are appointed to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our Bylaws. Our officers are appointed by our Board and hold office until removed by the Board, absent an employment agreement.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, requires that our directors and executive officers and persons who beneficially own more than 10% of our Common Stock (referred to herein as the "Reporting Persons") file with the SEC various reports as to their ownership of and activities relating to our Common Stock. To the best of our knowledge, all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during the period covered by this report. In making these statements, we have relied solely on our review of copies of the reports furnished to us, representations that no other reports were required and other knowledge relating to transactions involving Reporting Persons.

Conflicts of Interest

As discussed in more detail below, we did not have an audit, compensation, or nominating committee comprised of independent directors until November 2015. Therefore, the functions that would have been performed by such committees were performed by our directors. Prior to November 4, 2015, our Board was comprised of seven directors, with only one such director qualifying as "independent" pursuant to the rules of The NASDAQ Stock Market, LLC and the SEC, and all such directors performed the functions of the audit, compensation, and nominating committees. Thus, prior to November 4, 2015, there was a potential conflict of interest in that our directors and officers had the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. Effective November 4, 2015, the Board established an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee"), and a governance and nominating committee (the "Nominating Committee").

Audit Committee and Audit Committee Financial Expert

On November 4, 2015, the Board established the Audit Committee and approved and adopted a charter (the "Audit Committee Charter") to govern the Audit Committee. Messrs. Ross and Krueger were appointed to serve on the Audit Committee, with Mr. Ross designated as chairman. Each member of the Audit Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC. The Audit Committee met one time during 2015. In addition to the enumerated responsibilities of the Audit Committee in the Audit Committee Charter, the primary function of the Audit Committee is to assist the Board in its general oversight of our accounting and financial reporting processes, audits of our financial statements, and internal control and audit functions. The Audit Committee Charter can be found online at http://ir.terratechcorp.com/goverance-docs.

Compensation Committee

On November 4, 2015, the Board established the Compensation Committee and approved and adopted a charter (the "Compensation Committee Charter"). Messrs. Ross and Krueger were appointed to serve on the Compensation Committee during 2015, with Mr. Krueger designated as chairman. Each member of the Compensation Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC, is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, and is an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee held one meeting during 2015. In addition to the enumerated responsibilities of the Compensation Committee in the Compensation Committee Charter, the primary function of the Compensation Committee is to oversee the compensation of our executives, produce an annual report on executive compensation for inclusion in our proxy statement, if and when required by applicable laws or regulations, and advise the Board on the adoption of policies that govern our compensation programs. The Compensation Committee Charter may be found online at http://ir.terratechcorp.com/governance-docs.

Governance and Nominating Committee

On November 4, 2015, the Board established the Nominating Committee and approved and adopted a charter (the "Nominating Committee Charter"). Messrs. Ross and Krueger were appointed to serve on the Nominating Committee during 2015, with Mr. Ross designated as chairman. Each member of the Nominating Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC. The Nominating Committee held one meeting during 2015. In addition to the enumerated responsibilities of the Nominating Committee in the Nominating Committee Charter, the primary function of the Nominating Committee is to determine the slate of director nominees for election to the Board, to identify and recommend candidates to fill vacancies occurring between annual stockholder meetings, to review our policies and programs that relate to matters of corporate responsibility, including public issues of significance to us and our stockholders, and any other related matters required by federal securities laws. The charter of the Nominating and Corporate Governance Committee may be found may be found online at http://ir.terratechcorp.com/governance-docs.

Item 11. Executive Compensation.

Summary Compensation Table

As a smaller reporting company, we are required to disclose for fiscal 2014 and 2015 the executive compensation of our "Named Executive Officers," which consist of the following individuals: (i) any individual serving as our principal executive officer or acting in a similar capacity; (ii) the two other most highly compensated executive officers serving as executive officers at the most recently completed fiscal year; and (iii) any additional individuals for whom disclosure would have been provided but for the fact the individual was not serving as an executive officer at the end of the most recently completed fiscal year.

The following Summary Compensation Table sets forth for fiscal 2014 and 2015, the compensation, awarded to, paid to, or earned by our Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(5)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)(6)	Total ($)
Derek Peterson (1)	2015	78,000	0	46,750	0	0	0	6,000	130,750
	2014	201,000	0	311,765	0	0	0	6,000	518,765
Michael Nahass (2)	2015	126,250	0	38,250	0	0	0	6,000	170,500
	2014	210,000	0	1,056,415	0	0	0	6,000	1,272,415
Kenneth Vande Vrede (3)	2015	124,167	0	36,125	0	0	0	6,000	166,292
	2014	110,000	100,000	235,555	0	0	0	2,500	448,055
Michael James (4)	2015	126,250	0	404,380	0	0	0	6,000	536,630
	2014	132,500	0	549,481	0	0	0	6,000	687,981

(1) Appointed President, Chief Executive Officer, and Chairman of the Board, on February 9, 2012.

(2) Appointed director on January 26, 2012. Appointed Secretary and Treasurer on July 20, 2015. Served as President, Secretary, and Treasurer from January 26, 2012 until February 9, 2012.

(3) Appointed Chief Operating Officer and director on February 25, 2013.

(4) Appointed Chief Financial Officer on February 9, 2012.

(5) For valuation purposes, the dollar amount shown represents the aggregate award date fair value of awards made in fiscal 2015 and 2014 computed in accordance with FASB ASC Topic 718, Stock Compensation. The fair value is calculated based on the closing price of the Common Stock on the grant dates. The number of shares granted, the grant date, and the market price of such shares for each Named Executive Officer is set forth below.

(6) The amounts disclosed represent a car allowance of $500 per month.

Narrative Disclosure to Summary Compensation Table

The following is a narrative discussion of the information that we believe is necessary to understand the information disclosed in the foregoing Summary Compensation Table with respect to fiscal 2015 and 2014.

We did not have a stock option plan or an incentive plan that provides compensation intending to serve as an incentive for performance during 2015. In January 2016, we adopted the Plan.

Derek Peterson

Mr. Peterson earned total cash compensation for his services to us in fiscal 2015 and 2014 in the amount of $78,000 and $201,000, respectively, which represents his annual base salary for fiscal 2015 and 2014. The base salary paid to Mr. Peterson for fiscal 2015 and 2014 constituted approximately 59.66% and 38.75%, respectively, of the total compensation paid to Mr. Peterson as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Mr. Peterson 550,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015. On July 9, 2014, we issued to Mr. Peterson 588,235 shares of Common Stock. The price per share was $0.53, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 9, 2014.

Mr. Peterson also received $6,000, as set forth in the "All Other Compensation" column, which represents a car allowance of $500 per month, during fiscal 2015 and 2014.

Michael Nahass

Mr. Nahass earned total cash compensation for his services to us in fiscal 2015 and 2014 in the amount of $126,250 and $210,000, respectively, which represents his annual base salary for fiscal 2015 and 2014. The salary paid to Mr. Nahass for fiscal 2015 and 2014 constituted approximately 74.04% and 16.50%, respectively, of the total compensation paid to Mr. Nahass as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Mr. Nahass 450,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015. On July 9, 2014, we issued to Mr. Nahass 490,196 shares of Common Stock. The price per share was $0.53, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 9, 2014. On December 23, 2014, we issued to Mr. Nahass 550,000 shares of Series B Preferred Stock, which is convertible into 2,961,379 shares of Common Stock. We valued the grant of Series B Preferred Stock using the market price of our Common Stock as reported on the OTC Market Group, Inc.'s OTCQB tier on December 23, 2014, which was $0.269 per share of Common Stock.

Mr. Nahass also received $6,000, as set forth in the "All Other Compensation" column, which represents a car allowance of $500 per month, during fiscal 2015 and 2014.

Kenneth Vande Vrede

Mr. Vande Vrede earned total cash compensation for his services to us in fiscal 2015 and 2014 in the amount of $124,167 and $210,000, respectively, which represents his annual base salary for fiscal 2015 and 2014, and a bonus in the amount of $0 and $100,000 for fiscal 2015 and 2014, respectively. The base salary paid to Mr. Vande Vrede for fiscal 2015 and 2014 constituted approximately 74.66% and 24.56%, respectively, of the total compensation paid to Mr. Vande Vrede as set forth in the "Total" column in the Summary Compensation Table. Mr. Vande Vrede also earned a bonus in fiscal 2014 in the amount of $100,000 for his assistance in completing and implementing the greenhouse facility used by Edible Garden and his contributions in raising capital for us.

On July 21, 2015, we issued to Mr. Vande Vrede 425,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015. On July 9, 2014, we issued to Mr. Vande Vrede 444,444 shares of Common Stock. The price per share was $0.53, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 9, 2014.

Mr. Vande Vrede also received $6,000 in fiscal 2015 and $2,500 in fiscal 2014, as set forth in the "All Other Compensation" column, which represents a car allowance of $500 per month for the twelve months in fiscal 2015 and five months in fiscal 2014.

Michael James

Mr. James earned total cash compensation for his services to us in fiscal 2015 and 2014 in the amount of $126,250 and $132,500, respectively, which represents his annual base salary for fiscal 2015 and 2014. The base salary paid to Mr. James for fiscal 2015 and 2014 constituted approximately 23.52% and 19.26%, respectively, of the total compensation paid to Mr. James as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Mr. James 450,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015. On July 21, 2015, we also issued to Mr. James 800,000 shares of Series B Preferred Stock, which is convertible into 4,307,460 shares of Common Stock. We valued the grant of Series B Preferred Stock using the market price of our Common Stock as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015, which was $0.085 per share of Common Stock. On July 9, 2014, we issued to Mr. James 490,196 shares of Common Stock. The price per share was $0.53, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 9, 2014. On December 23, 2014, we issued to Mr. James 200,000 shares of Series B Preferred Stock, which is convertible into 1,076,865 shares of Common Stock. We valued the grant of Series B Preferred Stock using the market price of our Common Stock as reported on the OTC Market Group, Inc.'s OTCQB tier on December 23, 2014, which was $0.269 per share of Common Stock.

Mr. James also received $6,000, as set forth in the "All Other Compensation" column, which represents a car allowance of $500 per month, during fiscal 2015 and 2014.

Outstanding Equity Awards

We had no outstanding equity awards as of the fiscal years ended December 31, 2015 or 2014.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

As of the date hereof, we have not entered into any employment agreements with any of our Named Executive Officers.

Director Compensation

The following table sets forth director compensation as of December 31, 2015:

Name (1)	Fees Earned Paid in Cash ($)	Stock Awards ($)(7)	Option Awards ($)	Non-Equity Incentive Plan Compensatio ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensatio ($)	Total ($)
Amy Almsteier (2)	81,958	23,375	0	0	0	0	105,333
Kenneth P. Kruger (3)	0	0	0	0	0	0	0
Steven Ross (4)	0	127,500	0	0	0	0	127,500
Steven Vande Vrede (5)	145,000	36,125	0	0	0	0	181,125
Michael Vande Verde (6)	72,307	36,125	0	0	0	0	108,432

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(1) Derek Peterson, Michael Nahass, and Kenneth Vande Vrede are not included in this table as they were executive officers during fiscal 2015, and thus received no compensation for their service as directors. The compensation of Mr. Peterson, Mr. Nahass, and Mr. Vande Vrede as our employees is shown in the Executive Compensation Section, Summary Compensation Table.

(2) Appointed Secretary, Treasurer, and a director on February 9, 2012. Served as Secretary and Treasurer until July 20, 2015.

(3) Appointed as a director on November 2, 2015.

(4) Appointed as a director on July 23, 2012.

(5) Appointed as a director on April 24, 2013.

(6) Appointed as a director on April 24, 2013.

(7) For valuation purposes, the dollar amount shown represents the aggregate award date fair value of awards made in fiscal 2015 computed in accordance with FASB ASC Topic 718, Stock Compensation. The fair value is calculated based on the closing price of the Common Stock on the grant dates. The number of shares granted, the grant date, and the market price of such shares for each director is set forth below.

Narrative to Director Compensation Table

The following is a narrative discussion of the material information that we believe is necessary to understand the information disclosed in the previous table. All travel and lodging expenses associated with corporate matters are reimbursed by us, if and when incurred.

Amy Almsteier

Ms. Almsteier earned total cash compensation for her services to us in fiscal 2015 in the amount of $81,958, which represents her annual base salary for fiscal 2015 in connection with her services as Secretary and Treasurer until July 2015, and base fees in connection with her service as a director. This base amount paid to Ms. Almsteier for fiscal 2015 constituted approximately 77.80% of the total amounts paid to Mrs. Almsteier as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Ms. Almsteier 275,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015.

Steven J. Ross

Mr. Ross did not earn any cash fees for his services as a director during fiscal 2015. On July 21, 2015, we issued to Mr. Ross 1,500,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015.

Steven Vande Vrede

Mr. Vande Vrede earned total cash fees for his services to us in fiscal 2015 in the amount of $145,000, which represents his annual base fees for fiscal 2015. The base fees paid to Mr. Vande Vrede for fiscal 2015 constituted approximately 80.05% of the total compensation paid to Mr. Vande Vrede as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Mr. Vande Vrede 425,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015.

Michael Vande Vrede

Mr. Vande Vrede earned total cash fees for his services to us in fiscal 2015 in the amount of $72,307, which represents his annual base fees for fiscal 2015. The base fees paid to Mr. Vande Vrede for fiscal 2015 constituted approximately 66.68% of the total compensation paid to Mr. Vande Vrede as set forth in the "Total" column in the Summary Compensation Table.

On July 21, 2015, we issued to Mr. Vande Vrede 425,000 shares of Common Stock. The price per share was $0.085, as reported on the OTC Market Group, Inc.'s OTCQB tier on July 21, 2015.

Risk Assessment in Compensation Programs

During fiscal 2014 and 2015, we paid compensation to our employees, including executive and non-executive officers. Due to the size and scope of our business, and the amount of compensation, we did not have any employee compensation policies and programs to review to determine whether our policies and programs create risks that are reasonably likely to have a material adverse effect on us.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Equity Compensation Plan Information

We did not have in effect any compensation plans under which our equity securities are authorized for issuance in fiscal 2015.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of March 24, 2016 with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5% of our Common Stock; (2) each of our directors, nominees for director and executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of: 4700 Von Karman, Suite 110, Newport Beach, California 92660.

In computing the number and percentage of shares beneficially owned by each person, we include any shares of Common Stock that could be acquired within 60 days of March 24, 2016 by the conversion or exercise of shares of Series A Preferred Stock, Series B Preferred Stock, or option awards. These shares, however, are not counted in computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Common Stock(1)
Derek Peterson	Common Stock	3,476,033(2)	1.01%
Amy Almsteier	Common Stock	20,823,269(3)	5.74%
Michael A. Nahass	Common Stock	24,870,841(4)	6.82%
Kenneth Vande Vrede	Common Stock	10,241,675(5)	2.90%
Michael James	Common Stock	5,909,326(7)	1.69%
Michael Vande Vrede	Common Stock	10,701,498(6)	3.03%
Steven Vande Vrede	Common Stock	10,456,498(6)	2.96%
Steven Ross	Common Stock	1,766,667(8)	*%
Kenneth P. Krueger	Common Stock	350,000	*%
All directors and executive officers as a group (9 persons)		88,245,807	21.13%

* Represents beneficial ownership of less than one percent of the outstanding shares of our Common Stock.

(1) As of March 24, 2016, we had a total of 343,803,216 shares of Common Stock issued and outstanding.

(2) Includes 1,437,798 shares of Common Stock with respect to which Mr. Peterson has the right to acquire. Mr. Peterson owns Series A Preferred Stock, which is currently convertible into 50 shares of Common Stock, and Series B Preferred Stock which is currently convertible into 1,346,081 shares of Common Stock and 91,667 vested options to acquire Common Stock. Mr. Peterson disclaims any beneficial ownership interest in the shares of Common Stock and Series B Preferred Stock held by his spouse, Amy Almsteier.

(3) Includes 19,248,964 shares of Common Stock with respect to which Ms. Almsteier has the right to acquire. Ms. Almsteier owns Series B Preferred Stock, which is currently convertible into 19,248,964 shares of Common Stock. Ms. Almsteier disclaims any beneficial ownership interest in the shares of Common Stock, Series A Preferred Stock, Series B Preferred Stock and Options to acquire Common Stock held by her spouse, Derek Peterson.

(4) Includes 20,595,045 shares of Common Stock, which are issuable upon conversion of Series B Preferred Stock and 75,000 shares of Common Stock underlying vested options.

(5) Includes 9,544,604 shares of Common Stock with respect to which Mr. Vande Vrede has the right to acquire. Mr. Vande Vrede owns Series A Preferred Stock, which is currently convertible into 50 shares of Common Stock and Series B Preferred Stock which is currently convertible into 9,473,721 shares of Common Stock and 70,833 shares of Common Stock underlying vested options.

(6) Includes 9,473,721 shares of Common Stock, which are issuable upon conversion of Series B Preferred Stock and 70,833 shares of Common Stock underlying vested options.

(7) Includes 5,384,326 shares of Common Stock, which are issuable upon conversion of Series B Preferred Stock and 75,000 shares of Common Stock underlying vested options.

(8) Includes 66,667 shares of Common Stock underlying vested options.

The following table sets forth certain information as of March 24, 2016 with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5% of our Series A Preferred Stock; (2) each of our directors, nominees for director and executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of: 4700 Von Karman, Suite 110, Newport Beach, California 92660.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Common Stock(1)
Derek Peterson	Series A Preferred Stock	50	50%
Amy Almsteier	Series A Preferred Stock	0	0%
Michael A. Nahass	Series A Preferred Stock	0	0%
Kenneth Vande Vrede	Series A Preferred Stock	50	50%
Michael James	Series A Preferred Stock	0	0%
Michael Vande Vrede	Series A Preferred Stock	0	0%
Steven Vande Vrede	Series A Preferred Stock	0	0%
Steven Ross	Series A Preferred Stock	0	0%
Kenneth P. Krueger	Series A Preferred Stock	0	0%
All directors and executive officers as a group (9 persons)		100	100%

(1) As of March 24, 2016, we had a total of 100 shares of Series A Preferred Stock issued and outstanding.

The following table sets forth certain information as of March 24, 2016 with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5% of our Series B Preferred Stock; (2) each of our directors, nominees for director and executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of: 4700 Von Karman, Suite 110, Newport Beach, California 92660.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Common Stock(1)
Derek Peterson	Series B Preferred Stock	250,000	*%
Amy Almsteier	Series B Preferred Stock	3,575,000	22.14%
Michael A. Nahass	Series B Preferred Stock	3,825,000	23.68%
Kenneth Vande Vrede	Series B Preferred Stock	1,759,500	10.89%
Michael James	Series B Preferred Stock	1,000,000	6.19%
Michael Vande Vrede	Series B Preferred Stock	1,759,500	10.89%
Steven Vande Vrede	Series B Preferred Stock	1,759,500	10.89%
Steven Ross	Series B Preferred Stock	0	0%
Kenneth P. Krueger	Series B Preferred Stock	0	0%
All directors and executive officers as a group (9 persons)		13,928,500	86.24%

(1) As of March 24, 2016, we had a total of 16,150,000 shares of Series B Preferred Stock issued and outstanding.

There are no arrangements known to us, which may at a subsequent date result in a change-in-control.

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

Related Party Transactions

Except as described below, during the past two fiscal years, there have been no transactions, whether directly or indirectly, between us and any of our respective officers, directors, beneficial owners of more than 5% of our outstanding Common Stock or their family members, that exceeded the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years.

IVXX recently completed construction of its supercritical CO_2 extraction lab. The lab is located in the marijuana dispensary of Blüm operated by Black Oak, a company that we expect to acquire as of March 31, 2016, in which Derek Peterson, our President, Chief Executive Officer, and Chairman of our Board, then held a 12% ownership interest. Prior to the acquisition of Black Oak, IVXX had historically not been charged any rent for use of the space. Commencing in fiscal 2015, sales of certain IVXX products commenced at the Blüm dispensary.

During the year ended December 31, 2015, our subsidiary, IVXX, purchased raw materials totaling $248,855 from Black Oak, a company that we expect to acquire as of March 31, 2016, in which Derek Peterson, our President, Chief Executive Officer, and Chairman of our Board, then held a 12% ownership interest. IVXX also sold finished goods amounting to $434,661 to that same entity. The terms of the purchases of the raw materials and sales of the finished goods were at arms-length. There was an accounts receivable balance of $98,304 from this entity as of December 31, 2015.

During the year ended December 31, 2014, GrowOp Technology sold lighting equipment to Black Oak, a company that we expect to acquire as of March 31, 2016, in which Derek Peterson, our President, Chief Executive Officer, and Chairman of our Board, then held a 12% ownership interest, in the aggregate amount of approximately $74,000. The lighting equipment was sold on an arms-length basis.

We lease the land in Belvidere, New Jersey, on which Edible Garden's greenhouse structure is situated. The land is being leased from Whitetown Realty, LLC, an entity in which David Vande Vrede and Greda Vande Vrede own interests. David Vande Vrede and Greda Vande Vrede are the parents of three of our directors, Kenneth Vande Vrede, Michael Vande Vrede, and Steven Vande Vrede. The lease commenced on January 1, 2014 and expires December 31, 2029. The current monthly lease amount is $14,200 and increases 1.5% each calendar year.

Pursuant to the Initial Ross Independent Director Agreement, we agreed to pay Mr. Ross $2,000 per month, commencing immediately following any financing, either debt or equity, in excess of $1,000,000 that we receive during his term as a director. We also issued to Mr. Ross, an aggregate of 300,000 restricted shares of the Common Stock, which one-half of the shares vested on the date of appointment, and the remaining one-half of the shares vested on May 31, 2013. The Board reserved the right to change the cash portion of the Compensation from time to time, to take into consideration the responsibilities associated with serving on the various committees and to grant additional restricted shares periodically, which may vary from the terms described above. The total approximate value of Compensation paid or to be paid under the Initial Ross Independent Director Agreement, was the shares plus approximately $1,700 for health insurance. Pursuant to the Ross Independent Director Agreement we entered into effective July 1, 2014, we issued 200,000 shares of Common Stock. The value of the 200,000 shares of Common Stock was equal to approximately $104,000 on the issue date.

On May 7, 2013, Edible Garden entered into a letter agreement with Gro-Rite related to Edible Garden's right to purchase and distribute a majority of Gro-Rite's plant products. Gro-Rite is affiliated with three of our directors, Kenneth Vande Vrede, Michael Vande Vrede, and Steven Vande Vrede, and another member of their family. Edible Garden receives a valuable strategic partnership through this letter agreement.

On May 7, 2013, Edible Garden entered into a letter agreement with NB Plants related to Edible Garden's right to purchase and distribute a majority of NB Plants' plant products. NB Plants is affiliated with three of our directors, Kenneth Vande Vrede, Michael Vande Vrede, and Steven Vande Vrede, and another member of their family. Edible Garden receives a valuable strategic partnership through this letter agreement.

On April 16, 2014, we and Ms. Almsteier, one of our stockholders and directors (and, then executive officer), entered into a Settlement Agreement, whereby Ms. Almsteier agreed to pay us approximately $67,100 as a settlement for, and a release of, our claim of approximately $67,100 against Ms. Almsteier for a violation of Section 16(b) of the Exchange Act related to her sale of 350,000 shares of Common Stock at a price of $1.2509 per share on March 13, 2014, and her purchase of 100,000 shares of Common Stock at a purchase price of $0.58 on per share on April 15, 2014.

Pursuant to the Krueger Independent Director Agreement, we agreed to issue to Mr. Krueger an aggregate of 350,000 restricted shares of our Common Stock, to be fully vested on the date of appointment. The value of the 350,000 shares of Common Stock was equal to approximately $60,550.

Director Independence

Our Board is currently composed of eight members. Our Common Stock is not currently listed for trading on a national securities exchange and, as such, we are not subject to any director independence standards. However, we have determined that two directors, Steven Ross and Kenneth P. Krueger, each qualifies as an independent director. We evaluated independence in accordance with Rule 5605 of the NASDAQ Stock Market.

The Board currently has three separately designated standing committees: (i) the Audit Committee, (ii) the Compensation Committee, and (iii) the Nominating Committee. All three of these committees are solely comprised of independent directors.

Item 14. Principal Accountant Fees and Services.

The following table presents fees paid or to be paid for professional audit services rendered by Tarvaran, Askelson & Company ("TAC") for the audit of our annual financial statements during the years ended December 31, 2015 and 2014, and fees billed for other services rendered by TAC:

	Fiscal 2015	Fiscal 2014
Audit Fees (1)	$ 112,663	$ 90,550
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
Total All Fees	$ 112,663	$ 90,550

(1) Audit Fees consisted of fees billed for professional services rendered for the audit of the Company's annual financial statements and review of the interim financial statements included in quarterly reports, and review of other documents filed with the SEC within those fiscal years.

Prior to November 4, 2015, we did not have an audit committee to oversee the external audit process, which includes approving engagement letters, estimated fees and solely pre-approving all permitted audit and non-audit work performed by TAC, and, thus, prior to such date, the entire Board oversaw this process. The Board, or the Audit Committee, as applicable, pre-approved all fees for audit and non-audit work performed during fiscal 2014 and 2015.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

(1) Financial Statements – See Index on page F-1

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets—As of December 31, 2015 and 2014

Consolidated Statements of Operations and Comprehensive Income—For the years ended December 31, 2015 and 2014

Consolidated Statements of Stockholders' Equity—For the years ended December 31, 2015 and 2014

Consolidated Statements of Cash Flows—For the years ended December 31, 2015 and 2014

Notes to Consolidated Financial Statements

(b) The following exhibits are filed herewith as a part of this report.

Exhibit	Description
2.1	Agreement and Plan of Merger dated February 9, 2012, by and among Terra Tech Corp., a Nevada corporation, TT Acquisitions, Inc., a Nevada corporation, and GrowOp Technology Ltd., a Nevada corporation (2)
2.2	Articles of Merger (2)
2.3	Share Exchange Agreement, dated April 24, 2013, by and among the Terra Tech Corp., a Nevada corporation, Edible Garden Corp., a Nevada corporation, and the holders of common stock of Edible Garden Corp. (5)
2.4	Form of Articles of Share Exchange (5)
2.5	Agreement and Plan of Merger dated December 23, 2015, by and among Terra Tech Corp., a Nevada corporation, Generic Merger Sub, Inc., a California corporation, and Black Oak Gallery, a California corporation *
2.6	First Amendment to Agreement and Plan of Merger dated February 29, 2016, by and among Terra Tech Corp., a Nevada corporation, Generic Merger Sub, Inc., a California corporation, and Black Oak Gallery, a California corporation *
2.7	Form of Agreement of Merger dated March 31, 2016, by and among Generic Merger Sub, Inc., a California corporation and Black Oak Gallery, a California corporation *

3.1	Articles of Incorporation dated July 22, 2008 (1)
3.2	Certificate of Amendment dated July 8, 2011 (9)
3.3	Certificate of Change dated July 8, 2011 (9)
3.4	Certificate of Amendment dated January 27, 2012 (2)
3.5	Bylaws (1)
3.6	Form of Amended and Restated Articles of Incorporation of Black Oak Gallery, a California corporation *
4.1	Certificate of Designation for Series A Preferred Stock (3)
4.2	Amended and Restated Certificate of Designation for Series B Preferred Stock *
4.3	Form of Common Stock Purchase Warrant dated February 5, 2014 issued to Dominion Capital LLC (10)
4.4	Form of Common Stock Purchase Warrant (14)
4.5	Form of 12% Convertible Promissory Note (14)
4.6	Certificate of Designation for Series Q Preferred Stock *
4.7	Certificate of Designation for Series Z Preferred Stock *
4.8	Form of 12% Convertible Promissory Note *
10.1	5% Original Issue Discount Senior Secured Promissory Note dated February 5, 2014, issued to Dominion Capital LLC (10)
10.2	Securities Purchase Agreement dated February 5, 2014, by and between Terra Tech Corp. and Dominion Capital LLC (10)
10.3	Registration Rights Agreement dated February 5, 2014, by and between Terra Tech Corp. and Dominion Capital LLC (10)
10.4	Security Agreement dated February 5, 2014, by and among Terra Tech Corp., GrowOp Technology Ltd., Edible Garden Corp., and Dominion Capital LLC (10)
10.5	Subsidiary Guarantee dated February 5, 2014 by GrowOp Technology Ltd., and Edible Garden Corp. in favor of Dominion Capital LLC (10)
10.6	Securities Purchase Agreement dated March 22, 2013, by and between Terra Tech Corp. and certain accredited investors identified therein (4)
10.7	Form of 6% Senior Secured Convertible Debenture (4)
10.8	General Security Agreement dated March 22, 2013, by Terra Tech Corp. in favor of certain secured parties identified therein (4)
10.9	Stock Pledge Agreement dated March 22, 2013, by and between Terra Tech Corp. and certain investors identified therein (4)

10.10	Letter agreement dated May 7, 2013, by and between Edible Garden Corp. and Gro-Rite Inc. (6)
10.11	Letter agreement dated May 7, 2013, by and between Edible Garden Corp. and NB Plants LLC (6)
10.12	Letter agreement dated May 25, 2013, by and between Edible Garden Corp. and Palm Creek Produce, Inc. (7)
10.13	Lease agreement dated September 7, 2013, by and between Edible Garden Corp. and Gro-Rite Inc. (8)
10.14	Letter Agreement dated December 2, 2013, by and between Edible Garden Corp. and Heartland Growers Inc. (certain portions of this exhibit have been omitted based upon a request for confidential treatment) (9)
10.15	Standard Multi-Tenant Office Lease – Gross dated April 14, 2014 by and between Terra Tech Corp. and Jo Ellen K. Schantz, as Trustee of the John R. and Jo Ellen Schantz Revocable Family Trust dated August 12,1992, and Melvin R. Schantz and Leland Merriam Schantz, as Trustees of the Schantz Family Trust established September 10, 1982 (12)
10.16	Amendment to Securities Purchase Agreement dated July 30, 2014, by and between Terra Tech Corp. and Dominion Capital LLC (12)
10.17	Common Stock Purchase Agreement dated December 22, 2014, by and between Terra Tech Corp. and Magna Equities II, LLC, a New York limited liability company (13)
10.18	Registration Rights Agreement dated December 22, 2014, by and between Terra Tech Corp. and Magna Equities II, LLC, a New York limited liability company (13)
10.19	Form of Securities Purchase Agreement dated February 27, 2015, by and among Terra Tech Corp. and purchasers identified on the signature pages thereto (14)
10.20	Form of Independent Director Agreement (20)
10.21	Form of Indemnification Agreement (20)
10.22	Form of Securities Purchase Agreement dated December 13, 2015, by and among Terra Tech Corp. and purchasers identified on the signature pages thereto *
10.23	2016 Equity Incentive Plan *
10.24	Form of Escrow Agreement dated March 31, 2016, by and among Terra Tech Corp., a Nevada corporation, Black Oak Gallery, a California corporation, and the "Shareholder Representative" *
10.25	Lease dated January 1, 2015, by and between Whitetown Realty, LLC and Edible Garden Corp. *
10.26	Guaranty dated January 1, 2015, by Terra Tech Corp. in favor of Whitetown Realty, LLC *
14.1	Code of Ethics (19)
21.1	List of Subsidiaries *
24	Power of Attorney (set forth on the signature page of this Annual Report on Form 10-K)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 *
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 *
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 of Chapter 63 of Title 18 of the United States Code *
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 of Chapter 63 of Title 18 of the United States Code *

101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document *

Notes

(1) Incorporated by reference to Registration Statement on Form S-1 (File No. 333-156421), filed with the SEC on December 23, 2008.

(2) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on February 10, 2012.

(3) Incorporated by reference to Amendment No. 3 to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on April 19, 2012.

(4) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on March 26, 2013.

(5) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on May 6, 2013.

(6) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on May 28, 2013.

(7) Incorporated by reference to Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-188477), filed with the SEC on July 2, 2013.

(8) Incorporated by reference to Amendment No. 7 to Registration Statement on Form S-1 (File No. 333-188477), filed with the SEC on September 23, 2013.

(9) Incorporated by reference to Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-191954), filed with the SEC on December 5, 2013.

(10) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on August 5, 2013.

(11) Incorporated by reference to Current Report on Form 8-K (File No. 000-54258), filed with the SEC on April 16, 2014.

(12) Incorporated by reference to Registration Statement on Form S-1 (File No. 333-198010) filed with the SEC on August 8, 2014.

(13) Incorporated by reference to Registration Statement on Form S-1 (File No. 333-201261) filed with the SEC on December 24, 2014.

(14) Incorporated by reference to Current Report on Form 8-K filed with the SEC on March 2, 2015.

(15) Incorporated by reference Current Report on Form 8-K filed with the SEC on February 10, 2014.

(16) Incorporated by reference to Current Report on Form 8-K filed with the SEC on April 16, 2014.

(17) Incorporated by reference to Current Report on Form 8-K filed with the SEC on July 8, 2014.

(18) Incorporated by reference to Annual Report on Form 10-K filed with the SEC on September 16, 2009.

(19) Incorporated by reference to Current Report on Form 10-K filed with the SEC on November 5, 2015.

(20) Incorporated by reference to Quarterly Report on Form 10-Q filed with the SEC on November 9, 2015.

* filed herewith

Terra Tech Corp.

Index to Consolidated Financial Statements

TARVARAN, ASKELSON & COMPANY®
CERTIFIED PUBLIC ACCOUNTANTS

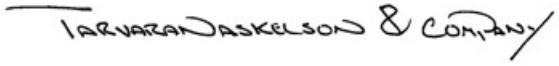
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Terra Tech Corp.
Newport Beach, California

We have audited the accompanying consolidated balance sheets of Terra Tech Corp. as of December 31, 2015 and 2014, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years then ended.Terra Tech Corp.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Terra Tech Corp. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Dana Point, California
March 29, 2016

TERRA TECH CORP.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
Assets		
Current Assets:		
Cash	$ 418,082	$ 846,650
Accounts receivable, net	741,844	417,463
Prepaid expenses	147,230	82,200
Inventory	949,448	670,180
Total Current Assets	2,256,604	2,016,493
Property, equipment and leasehold improvements, net	6,694,975	5,446,743
Intangible assets, net	118,932	161,412
Deposits	94,528	94,578
Total Assets	$ 9,165,039	$ 7,719,226
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,119,459	$ 573,721
Derivative liability	743,400	1,253,000
Short-term debt	917,363	4,615,547
Total Current Liabilities	2,780,222	6,442,268
Long Term Liabilities		
Deferred tax liability, net	44,000	-
Total Long Term Liabilities	44,000	-
Commitment and Contingencies		
Stockholders' Equity		
Preferred stock, Convertible Series A, Par value $0.001; authorized and issued 100 shares as of December 31, 2015 and 2014, respectively	-	-
Preferred stock, Convertible Series B, Par value $0.001; authorized 24,999,900 shares; issued and outstanding 16,300,000 and 15,500,000 shares as of December 31, 2015 and 2014, respectively	16,300	15,500
Common stock, Par value $0.001; authorized 350,000,000 shares; issued 303,023,744 and 197,532,892 shares as of December 31, 2015 and 2014, respectively	303,024	197,533
Additional paid-in capital	51,843,071	38,081,784
Accumulated Deficit	(45,952,109)	(36,726,529)
Total Terra Tech Corp. stockholders' equity	6,210,286	1,568,288
Non-controlling interest	130,531	(291,330)
Total Stockholders' Equity	6,340,817	1,276,958
Total Liabilities and Stockholders' Equity	$ 9,165,039	$ 7,719,226

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP.
CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31,	
	2015	**2014**
Total Revenues	$ 9,975,346	$ 7,094,270
Cost of Goods Sold	8,958,475	6,941,278
	1,016,871	152,992
Selling, general and administrative expenses	9,833,646	18,341,247
Loss from operations	(8,816,775)	(18,188,255)
Other Income (Expenses)		
Amortization of debt discount	(696,180)	-
Loss on extinguishment of debt	(619,444)	-
Loss from derivatives issued with debt greater than debt carrying value	(561,000)	(4,808,000)
Gain (Loss) on fair market valuation of derivatives	1,800,100	1,912,037
Interest Expense	(469,576)	(1,096,324)
Total Other Income (Expense)	(546,100)	(3,992,287)
Loss before Provision of Income Taxes	(9,362,875)	(22,180,542)
Provision for income taxes	44,000	-
Net Loss	(9,406,875)	(22,180,542)
Net Loss attributable to non-controlling interest	181,295	291,330
Net Loss attributable to Terra Tech Corp.	$ (9,225,580)	$ (21,889,212)
Net Loss per Common Share attributable to Terra Tech Corp. common stockholders - Basic and Diluted	$ (0.04)	$ (0.13)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	240,194,811	174,297,430

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Preferred Stock									
	Convertible Series A Shares	Convertible Series A Amount	Convertible Series B Shares	Convertible Series B Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total
Balance January 1, 2014	100	$ -	14,750,000	$ 14,750	146,806,928	$ 146,808	$ 14,759,246	$ (14,837,317)		$ 83,487
Sale of Common Stock					6,600,000	6,600	4,008,319			4,014,919
Proceeds from issuance of Common Stock from the exercise of warrants					4,613,362	4,614	288,806			293,420
Issuance of warrants							5,038,986			5,038,986
Issuance of Common Stock for services					6,973,414	6,973	3,707,580			3,714,553
Issuance of Common Stock for debt and interest expense					26,097,816	26,097	7,191,291			7,217,388
Short swing profit payment							67,100			67,100
Common Stock retired					(740,000)	(740)	740			-
Issuance of Common Stock for the exercise of cashless warrants					3,003,335	3,003	(3,003)			-
Issuance of Common Stock for compensation					4,178,037	4,178	1,937,182			1,941,360
Issuance of Preferred Stock for compensation			750,000	750			1,085,537			1,086,287
Non-controlling Share of Loss									(291,330)	(291,330)
Net Loss								(21,889,212)		(21,889,212)
Balance December 31, 2014	100	$ -	15,500,000	$ 15,500	197,532,892	$ 197,533	$ 38,081,784	$ (36,726,529)	$ (291,330)	$ 1,276,958

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Preferred Stock									
	Convertible Series A Shares	Convertible Series A Amount	Convertible Series B Shares	Convertible Series B Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Non-Controlling Interest	Total
Balance Janaury1, 2015	100	$ -	15,500,000	$ 15,500	197,532,892	$ 197,533	$38,081,784	$ (36,726,529)	$ (291,330)	$ 1,276,958
Sale of Common Stock					34,301,796	34,302	3,941,586			3,975,888
Issuance of warrants							1,148,069			1,148,069
Issuance of Common Stock for services					10,843,526	10,843	999,269			1,010,112
Issuance of Common Stock for debt and interest expense					56,645,530	56,646	6,996,232			7,052,878
Issuance of Common Stock for compensation					3,700,000	3,700	310,800			314,500
Issuance of Preferred Stock for compensation			800,000	800			365,331			366,131
Non-controlling Share of Loss									(181,295)	(181,295)
Non-controlling cash contribution									603,156	603,156
Net Loss								(9,225,580)		(9,225,580)
Balance December 31, 2015	100	$ -	16,300,000	$ 16,300	303,023,744	$ 303,024	$51,843,071	$ (45,952,109)	$ 130,531	$ 6,340,817

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (9,225,580)	$ (21,889,212)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Gain) loss on fair market valuation of derivatives	(1,800,100)	(1,912,037)
Loss on extinguishment of debt	619,444	-
Amortization of debt discount	696,180	-
Deferred tax expense	44,000	-
Depreciation and amortization	645,294	438,783
Warrants issued with common stock and debt	1,148,069	5,038,986
Stock issued for interest expense	-	396,555
Stock issued for compensation	680,630	3,027,647
Stock issued for services	1,010,112	3,714,553
Equity instruments issued with debt greater than debt carrying amount	561,000	4,808,000
Change in accounts receivable reserve	153,660	18,140
Changes in operating assets and liabilities:		
Accounts receivable	(478,041)	(393,700)
Prepaid expenses	(65,030)	(81,343)
Inventory	(279,268)	(670,180)
Note receivable	-	173,754
Deposits	50	5,422
Accounts payable	1,164,308	(528,723)
Net cash used in operations	(5,125,272)	(7,853,355)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,851,045)	(2,337,370)
Purchase of intangible assets - domain names	-	(12,440)
Net cash used in investing activities	(1,851,045)	(2,349,810)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	2,150,000	7,344,737
Proceeds from issuance of notes payable to related parties	-	27,500
Payments on notes payable	-	(303,474)
Payments on notes payable to related parties	-	(130,000)
Proceeds from issuance of common stock and warrants and common stock subscribed	3,975,888	4,014,919
Proceeds from issuance of common stock from the exercise of warrants	-	293,420
Short swing profit payment	-	67,100
Payments by subsidiaries for non-controlling interest	(181,295)	(291,330)
Cash contribution from non-controlling interest	603,156	-
Net cash provided by financing activities	6,547,749	11,022,872
NET CHANGE IN CASH AND CASH EQUIVALENTS	(428,568)	819,707
CASH AND CASH EQUIVALENTS, beginning of period	846,650	26,943
CASH AND CASH EQUIVALENTS, end of period	$ 418,082	$ 846,650

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2015 and 2014

	2015	2014
SUPPLEMENTAL DISCLOSURE FOR OPERATING ACTIVITIES		
Cash paid for interest	$ 4,500	$ 285,371
SUPPLEMENTAL DISCLOSURE FOR FINANCING ACTIVITIES		
Warrant expense	$ 1,148,069	$ 5,038,986

The accompanying notes are an integral part of the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

References in this document to "the Company", "Terra Tech", "we", "us", or "our" are intended to mean Terra Tech Corp., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

The Company was incorporated in Nevada on July 22, 2008, under the name Private Secretary, Inc. The Company's original business was developing a software program that would allow for automatic call processing through voice-over-Internet protocol, or "VoIP", technology. The Company's operations were limited to capital formation, organization, and development of its business plan and target customer market. The Company generated no revenue.

The Company changed its name to Terra Tech Corp. on January 27, 2012. Through its wholly-owned subsidiary, GrowOp Technology Ltd., a Nevada corporation ("GrowOp Technology"), the Company engages in the design, marketing, and sale of hydroponic equipment with proprietary technology to create sustainable solutions for the cultivation of indoor agriculture. The Company is also a wholesale seller of locally grown hydroponic produce, herbs and floral products through its wholly-owned subsidiary, Edible Garden Corp., a Nevada corporation ("Edible Garden"). Through MediFarm, LLC, a Nevada limited liability company ("MediFarm"), MediFarm I, LLC, a Nevada limited liability company ("MediFarm I"), and MediFarm II, LLC, a Nevada limited liability company ("MediFarm II"), subsidiaries in which the Company owns interests, the Company plans to operate medical marijuana cultivation, production, and dispensary facilities in Nevada. Through IVXX, LLC, a Nevada limited liability company ("IVXX"), the Company's wholly-owned subsidiary, the Company produces and sells a line of cannabis flowers and cigarettes, as well as a line of cannabis pure concentrates. Most recently, the Company formed another wholly-owned subsidiary, MediFarm I Real Estate, LLC, a Nevada limited liability company ("MediFarm I RE"), which will own the real property on which a medical marijuana dispensary will be constructed. The dispensary will be operated by MediFarm I.

On February 9, 2012, the Company completed a reverse-triangular merger with GrowOp Technology, whereby it acquired all of the issued and outstanding shares of GrowOp Technology and in exchange the Company issued: (i) 33,998,520 shares of its common stock, (ii) 100 shares of Series A Preferred Stock, convertible into shares of common stock on a one-for-one basis, and (iii) 14,750,000 shares of Series B Preferred Stock, with each share convertible into 5.38425537 shares of common stock. The issuance represented approximately 50.3% of the Company's total shares of common stock outstanding, assuming the conversion of all the shares of Series A Preferred Stock and Series B Preferred Stock, immediately following the closing of the merger. As a result of the merger, GrowOp Technology became the Company's wholly-owned subsidiary. Following the merger, Terra Tech ceased its prior operations and is now solely a holding company.

The Company acquired its second wholly-owned subsidiary, Edible Garden, in 2013. Edible Garden is a wholesale seller of locally grown hydroponic produce, which is distributed throughout the Midwest and the Northeast United States. The Company entered into a Share Exchange Agreement, dated March 23, 2013 (the "Share Exchange Agreement"), by and among the Company, Edible Garden,and the stockholders of Edible Garden. Pursuant to the Share Exchange Agreement, the Company offered and sold 1,250,000 shares of its common stock in consideration for all the issued and outstanding shares in Edible Garden. Separately, Amy Almsteier, one of the Company's stockholders and a director (and, at that time, an executive officer), offered and sold 7,650,000 shares of Series B Preferred Stock to Kenneth Vande Vrede, Michael Vande Vrede, Steven Vande Vrede, Dan Vande Vrede, Beverly Willekes, and David Vande Vrede (collectively, the "Former EG Principal Stockholders"). The 7,650,000 shares of Series B Preferred Stock are convertible at any time into 36,344,198 shares of common stock and have voting power equal to 765,000,000 shares of common stock.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The effect of the issuance of the 1,250,000 shares of common stock and the sale of the 7,650,000 shares of Series B Preferred Stock by Ms. Almsteier was that the Former EG Principal Stockholders held approximately 25.7% of the Company's issued and outstanding shares of common stock and approximately 43.3% of the Company's voting power of as of March 23, 2013. Articles of Exchange, consummating the share exchange, were filed with the Secretary of the State of Nevada on April 24, 2013.

On March 19, 2014, the Company formed MediFarm, a subsidiary. On July 18, 2014, the Company formed MediFarm I, a subsidiary. On July 30, 2014, the Company formed MediFarm II, a subsidiary. Through MediFarm, MediFarm I, and MediFarm II, the Company plans to operate medical marijuana cultivation, production, and dispensary facilities in Nevada.

On September 16, 2014, the Company formed IVXX for the purpose of producing a line of cannabis flowers and cigarettes, as well as a complete line of cannabis pure concentrates including: oils, waxes, shatters, and clears. The Company began producing and selling IVXX's products during the first quarter of fiscal 2015. The Company currently offers these products to 200 select dispensaries in California. The Company uses its supercritical CO_2 extraction lab located in Oakland, California to manufacture these products. IVXX sells clothing, apparel, and other various branded products.

On October 14, 2015, the Company formed MediFarm I RE. MediFarm I RE is a real estate holding company that owns the real property and building at which a medical marijuana dispensary facility will be located. It is the Company's intention that MediFarm I will operate the medical marijuana dispensary. The Company owns 50% of the membership interests in MediFarm I RE. The remaining membership interests are owned by Forever Young Investments, LLC (50%), an otherwise unaffiliated entity.

The accompanying unaudited consolidated financial statements include all of the accounts of Terra Tech. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for financial information and with the instructions to Form 10-K and Regulation S-X. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included.

Use of Estimates

The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and all highly liquid investments with a maturity of three months or less from the date of purchase, including money market mutual funds, short-term time deposits, and government agency and corporate obligations, are classified as cash and cash equivalents.

Accounts Receivable

The Company reviews all outstanding accounts receivable for collectability on a quarterly basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. The Company does not accrue interest receivable on past due accounts receivable. There was an allowance of $184,642 at December 31, 2015 and $49,168 at December 31, 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets: 3-32 years for machinery and equipment, leasehold improvements and buildings are amortized over the estimated useful life. Repairs and maintenance expenditures which do not extend the useful lives of related assets are expensed as incurred.

Intangibles

Intangible assets with definite lives are amortized, but are tested for impairment quarterly and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. The Company tests intangibles for impairment by first comparing the carrying value of net assets to the fair value of the related operations. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment. In this process, a fair value for intangibles is estimated, based in part on the fair value of the operations, and is compared to its carrying value. The shortfall of the fair value below the carrying value represents the amount of intangible impairment. The Company tests these intangibles for impairment by comparing their carrying value to current projections of discounted cash flows attributable to the customer list. Any excess carrying value over the amount of discounted cash flows represents the amount of the impairment.

Deposits

Deposits are for contractors, stores and land in California and Nevada.

Revenue Recognition

Revenue is recognized net of discounts, rebates, promotional adjustments, price adjustments and estimated returns and upon transfer of title and risk to the customer which occurs at shipping (F.O.B. terms). Upon shipment, the Company has no further performance obligations and collection is reasonably assured as the majority of sales are paid for prior to shipping.

Cost of Goods Sold

Cost of goods sold are for the plants grown and purchased and sold into the retail marketplace by Edible Garden. It also includes the cost incurred in producing the oils, waxes, shatters, and clears sold by IVXX.

Research and Development

Research and development costs are expensed as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Taxes

The Company provides for income taxes based on enacted tax law and statutory tax rates at which items of income and expenses are expected to be settled in our income tax return. Certain items of revenue and expense are reported for Federal income tax purposes in different periods than for financial reporting purposes, thereby resulting in deferred income taxes. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has incurred net operating losses for financial-reporting and tax-reporting purposes. Accordingly, for Federal and state income tax purposes, the benefit for income taxes has been offset entirely by a valuation allowance against the related Federal and state deferred tax asset for the year ended December 31, 2015.

Loss Per Common Share

Net loss per share is computed in accordance with the provisions of ASC 260, "Earnings Per Share" by dividing net loss by the weighted average number of shares of common stock outstanding during the period. During a loss period, the effect of the potential exercise of stock options, warrants, convertible preferred stock, and convertible debt are not considered in the diluted income (loss) per share calculation since the effect would be anti-dilutive. The results of operations were a net loss for the year ended December 31, 2015; therefore, the basic and diluted weighted average shares of common stock outstanding were the same.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The Company's valuation techniques used to measure the fair value of money market funds and certain marketable equity securities were derived from quoted prices in active markets for identical assets or liabilities. The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments.

Recently Issued Accounting Standards

Leases – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 requires entities to recognize right-of-use assets and lease liabilities on the balance sheet for the rights and obligations created by all leases, including operating leases, with terms of more than 12 months. The new standard also requires additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative information. The new standard will be effective for the Company on January 1, 2019. Early adoption is permitted. The Company is in the process of evaluating the impact the adoption of this standard will have on its consolidated financial statements and related disclosures.

Balance Sheet Classification of Deferred Taxes – In November 2015, the FASB issued ASU No. 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"). ASU 2015-17 requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The new standard is effective for public entities for annual periods beginning after December 15, 2016, with early adoption allowed on either a prospective or retrospective basis. The Company adopted ASU 2015-17, on a prospective basis, for its annual period ending December 31, 2015. Accordingly, the accompanying consolidated balance sheet at December 31, 2015 reflects the presentation of deferred tax assets and deferred tax liabilities in accordance with ASU 2015-17. As permitted under ASU 2015-17, the accompanying consolidated balance sheet for December 31, 2014 has not been retrospectively adjusted.

Inventory Measurement – In July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory ("ASU 2015-11"), which requires entities to measure inventory at the lower of cost and net realizable value ("NRV"). ASU 2015-11 defines NRV as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The ASU will not apply to inventories that are measured by using either the last-in, first-out method or the retail inventory method. The guidance in ASU 2015-11 is effective prospectively for fiscal years beginning after December 15, 2016, and interim periods therein. Early adoption is permitted. Upon transition, entities must disclose the nature of and reason for the accounting change. The Company does not expect that the adoption of this standard will have a material effect on its consolidated financial statements.

Going Concern Disclosures – In August 2014, the FASB issued ASU No. 2014-15: Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). ASU 2014-15 requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on its consolidated financial statements.

2. GOING CONCERN

The Company's future success is dependent upon its ability to achieve profitable operations and generate cash from operating activities, and upon additional financing. Management believes they can raise the appropriate funds needed to support their business plan and develop an operating company that is cash-flow positive.

However, the Company incurred net losses for the year ended December 31, 2015, and has an accumulated deficit of approximately $46.0 million at December 31, 2015. The Company has not been able to generate sufficient cash from operating activities to fund its ongoing operations. There is no guarantee that the Company will be able to generate enough revenue and/or raise capital to support its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded assets and liabilities that might result should the Company be unable to continue as a going concern.

3. CONCENTRATIONS OF BUSINESS AND CREDIT RISK

The Company maintains cash balances in several financial institutions that are insured by the Federal Deposit Insurance Corporation up to certain federal limitations.

The Company provides credit in the normal course of business to customers located throughout the U.S. The Company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information.

4. SHARE EXCHANGE

On March 23, 2013, the Company entered into the Share Exchange Agreement pursuant to which Edible Garden's stockholders exchanged common stock of Edible Garden for the Company's common stock. Pursuant to the Share Exchange Agreement, the Company offered and sold 1,250,000 shares of its common stock, valued at $212,500, in consideration for all the issued and outstanding shares in Edible Garden. The Company also acquired Edible Garden's customer list.

The transaction was accounted for as a business acquisition. In accordance with generally accepted accounting principles, intangible assets are recorded at fair values as of the date of the transaction. The Company preliminarily allocated the $212,500 consideration paid for the acquired assets as follows:

Cash	100
Intangible assets, customer list	212,400
Fair value acquired	$ 212,500

Intangible assets with estimated useful lives are amortized over a five-year period. Amortization expense was approximately $42,480 for the year ended December 31, 2015.

5. INVENTORY

Inventory consists of raw materials for Edible Garden's herb product lines and IVXX's line of cannabis pure concentrates. Work-In-Progress consists of live plants grown for Edible Garden's herb product lines along with IVXX's line of cannabis pure concentrates. Finished goods consists of IVXX's line of cannabis packaged to be sold into dispensaries. Cost of goods sold is calculated using the average costing method. The Company reviews its inventory periodically to determine net realizable value. The Company writes down inventory, if required, based on forecasted demand. These factors are impacted by market and economic conditions, new products introductions, and require estimates that may include uncertain elements. Inventory at December 31, 2015 and December 31, 2014 consisted of the following:

	December 31, 2015	December 31, 2014
Raw Materials	$ 277,340	$ 479,682
Work-In-Progress	542,530	190,498
Finished Goods	129,578	-
	$ 949,448	$ 670,180

6. PROPERTY, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Property, equipment, and leasehold improvements at cost, less accumulated depreciation, at December 31, 2015 and December 31, 2014 consisted of the following:

	December 31, 2015	December 31, 2014
Land	$ 1,454,124	$ -
Furniture	70,786	53,790
Equipment	2,322,444	2,367,605
Leasehold improvements	3,893,330	3,468,243
Subtotal	7,740,684	5,889,638
Less accumulated depreciation	(1,045,709)	(442,895)
Total	$ 6,694,975	$ 5,446,743

Depreciation expense related to property and equipment for the year ended December 31, 2015 was $602,814 and for the year ended December 31, 2014 was $392,883.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

	December 31, 2015	December 31, 2014
Accounts payable	$ 1,015,994	$ 240,204
Accrued interest	103,465	270,918
Accrued payroll taxes	-	62,599
	$ 1,119,459	$ 573,721

8. NOTES PAYABLE

Notes payable are as follows:

	December 31, 2015	December 31, 2014
Unsecured promissory demand note dated May 7, 2012 issued to an accredited investor, which bore interest at a rate of 4% per annum. Holder was entitled to convert into common stock at $0.75 per share. In 2015, the holder of the note exchanged the note with another accredited investor.	$ -	$ 5,000
Promissory note dated July 25, 2014 issued to an accredited investor, which initially matured July 24, 2015 and bore interest at a rate of 12% per annum. The holder of the note extended the maturity date to July 25, 2016. Principal and interest may be converted into common stock based on the average trading price of the ten days prior to maturity at the holder's option.	150,000	150,000
Unsecured promissory demand notes, acquired by an accredited investor from the original debt holders, which bore interest at a rate of 4% per annum. Holder was entitled to convert into common stock at $0.75 per share. In 2015, the holder of the note exchanged the note with another accredited investor.	-	109,306
Unsecured promissory demand notes issued to an accredited investor, which bears interest at a rate of 4% per annum. Holder may elect to convert into common stock at $0.75 per share. In 2015, the investor exchanged the notes from other accredited investors.	114,306	-
5% Original issue discount senior secured convertible promissory note dated March 5, 2014 issued to accredited investors, which matured September 5, 2015, and bore interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day VWAP of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted the debt and accrued interest into common stock.	-	248,902
5% Original issue discount senior secured convertible promissory note dated May 5, 2014 issued to accredited investors, which matured November 5, 2015, and bore interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day VWAP of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted some of the debt and accrued interest into common stock. The remaining balance of the note and accrued interest was converted into common stock in March 2016.	96,491	482,456
5% Original issue discount senior secured convertible promissory note dated June 5, 2014 issued to accredited investors, which bore interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day VWAP of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted the debt and accrued interest into common stock.	-	146,197

8. NOTES PAYABLE, Continued

5% Original issue discount senior secured convertible promissory note dated July 1, 2014 issued to accredited investors, which bore interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day VWAP of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted the debt and accrued interest into common stock.	-	578,947
5% Original issue discount senior secured convertible promissory note dated July 31, 2014 issued to accredited investors, which matures February 1, 2016 and bears interest at a rate of 12% per annum. The fixed conversion price in effect was set at 90% of the 20-day VWAP of our common stock on February 5, 2014, or $0.30753 per share. In 2015, the holder of the note converted the debt and accrued interest into common stock.	-	2,894,739
Convertible promissory note dated April 7, 2015 issued to accredited investors, which matures October 7, 2016 and bears interest at a rate of 12% per annum. The conversion price in effect is $0.1303, subject to adjustment.	170,856	-
Convertible promissory note dated May 13, 2015 issued to accredited investors, which matures November 13, 2016 and bears interest at a rate of 12% per annum. The conversion price in effect is $0.1211, subject to adjustment.	170,783	-
Convertible promissory note dated December 14, 2015, issued to accredited investors, which maturing December 13, 2016, bearing interest at a rate of 12% per annum. The conversion price in effect is $0.1211, subject to adjustment.	214,927	-
Total Debt	917,363	4,615,547
Less short-term portion	917,363	4,615,547
Long-term portion	$ -	$ -

Total debt as of December 31, 2015 and December 31, 2014, was $917,363 and $4,615,547, respectively, which included unamortized debt discount of $693,435 and $0, respectively. The senior secured promissory notes are secured by shares of common stock. There was accrued interest of $103,465 as of December 31, 2015.

8. NOTES PAYABLE, Continued

On February 27, 2015, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain purchasers (the "Purchasers") relating to the issuance and sale (the "Offering") of (i) 12% Convertible Promissory Notes (the "Notes") in the aggregate principal amount of Three Million Dollars ($3,000,000), that are convertible into shares (the "Conversion Shares") of the Company's common stock, par value $0.001 per share, and (ii) warrants (the "Warrants") to acquire shares (the "Warrant Shares") of the Company's common stock pursuant to the terms of the Purchase Agreement. The purchase of the Notes is expected to occur in six (6) tranches (each, a "Tranche", and, collectively, the "Tranches"), with the first Tranche of $750,000 closing simultaneously with the execution of the Purchase Agreement. Each additional Tranche is expected to be in the amount of $450,000 and, as long as we are not in default of the Notes, each Tranche is expected to close on every 30^{th} day following the previous closing date; however, the closing of the third through sixth Tranches is subject to the mutual agreement of the parties. The second tranche of $450,000 closed on April 6, 2015. The third and final tranche of $450,000 closed on May 12, 2015.

The Purchase Agreement contains customary representations, warranties, and covenants by, among, and for the benefit of the parties. The Purchasers were granted customary participation rights in future financings. The Purchase Agreement also limits the Company's ability to engage in subsequent equity sales for a certain period of time.

The proceeds from the Offering are intended to be used for general corporate proceeds and cannot be used: (i) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (ii) for the redemption of the Company's common stock or common stock equivalents, (iii) for the settlement of any outstanding litigation, or (iv) in violation of the Foreign Corrupt Practices Act or the Office of Foreign Assets Control.

The Offering is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act (in that the Notes, the Conversion Shares, the Warrants, and the Warrant Shares were sold by us in a transaction not involving any public offering) and pursuant to Rule 506 of Regulation D promulgated thereunder. The Notes, the Conversion Shares, the Warrants, and the Warrant Shares are restricted securities that have not been registered under the Securities Act, and will not be registered under the Securities Act, and may not be offered or sold absent registration or applicable exemption from the registration requirements.

9. FAIR VALUE MEASUREMENTS

The following table represents the fair value hierarchy for those financial assets measured at fair value on a recurring basis:

	Fair Value at December 31, 2015	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Derivative liability - Conversion Feature	$ 743,400	-	-	$ 743,400
	$ 743,400	-	-	$ 743,400

	Fair Value at December 31, 2014	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Derivative liability - Conversion Feature	$ 1,253,000	-	-	$ 1,253,000
	$ 1,253,000	-	-	$ 1,253,000

Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance at December 31, 2014	$ 1,253,000
Change in fair market value of Conversion Feature	(1,800,100)
Issuance of equity instruments with debt greater than debt carrying amount	561,000
Derivative debt converted into equity	(1,168,500)
Issuance of equity instruments with derivatives	1,898,000
Balance at December 31, 2015	$ 743,400

10. TAX EXPENSE

The expense (benefit) for income taxes consists of the following:

	December 31, 2015	December 31, 2014
Current:		
Federal	$ -	$ -
State	-	-
	-	-
Deferred:		
Federal	44,000	-
State	-	-
Total	$ 44,000	$ -

The reconciliation between the Company's effective tax rate and the statutory tax rate is as follows:

	December 31, 2015	December 31, 2014
Expected Income tax expense (benefit) at statutory rate net	$ (3,694,000)	$ (8,940,000)
Nondeductible items	368,000	2,173,000
Warrants expense	1,196,000	2,216,000
Derivatives expense	(545,000)	1,274,000
Net operating losses	2,667,000	3,227,000
Other	52,000	50,000
Reported income tax expense (benefit)	$ 44,000	$ -
Effective tax rate	-0.49%	0.00%

The components of deferred tax assets and liabilities are as follows:

	December 31, 2015	December 31, 2014
Deferred income tax assets:		
Allowance for bad debt	$ 74,000	$ 21,000
Warrants expense	3,412,000	2,216,000
Derivatives expense	729,000	1,274,000
Net operating losses	7,029,000	3,227,000
	11,244,000	6,738,000
Deferred income tax liabilities:		
Depreciation	(44,000)	-
Total	11,200,000	6,738,000
Valuation allowance	(11,244,000)	(6,738,000)
Net deferred tax assets	$ (44,000)	$ -

10. TAX EXPENSE, Continued

Permanent differences include ordinary and necessary business expenses deemed by the Company as a non-allowable deduction under IRC § 280E, and tax deductions related to equity compensation that are less than the compensation recognized for financial reporting.

As of December 31, 2015 and December 31, 2014, the Company had net operating loss carryforwards of approximately $16,250,000 and $12,276,000, respectively, which, if unused, will expire beginning in years 2034. These tax attributes are subject to an annual limitation from equity shifts, which constitute a change of ownership as defined under Internal Revenue Code Section 382, which will limit their utilization. The Company has yet to assess the effect of these limitations, but expects these losses to be substantially limited. Accordingly, the Company has placed a reserve against any assets associated with these losses.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative losses incurred through the period ended December 31, 2015. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. On the basis of this evaluation, as of December 31, 2015, a valuation allowance of has been recorded against all deferred tax assets as these assets are more likely than not to be unrealized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

For the year ended December 31, 2015, IVXX, Inc., produced and sold cannabis pure concentrates, subjecting the company to the limits of IRC §280E. Pursuant to IRC § 280E, the Company is allowed only to deduct expenses directly related to sales of product. The Company has allocated accelerated depreciation related to production equipment, which results in a difference in the cost of sales for financial reporting and tax reporting taxable income. As a result the Company had no current taxable income for the year ended December 31, 2015, but has recorded a deferred tax liability related to the tax depreciation in excess of that reported for financial reporting purposes.

11. CAPITAL STOCK

Preferred Stock

The Company authorized 25 million shares of preferred stock with $0.001 par value, of which there were 100 shares of Series A Preferred Stock outstanding as of December 31, 2015. Series A Preferred Stock is convertible on a one-for-one basis into common stock and has all of the voting rights of the Company's common stock.

There were 16,300,000 shares of Series B Preferred Stock outstanding as of December 31, 2015. Each share of Series B Preferred Stock: (i) has voting rights equal to 100 shares of common stock, and (ii) is convertible, at the option of the holder, on a 1-for-5.384325537 basis, into shares of the Company's common stock.

Please refer to Note 17, *Subsequent Events*, to these Consolidated Financial Statements for additional disclosure regarding changes to the Company's capital stock subsequent to December 31, 2015.

Common Stock

The Company authorized 350 million shares of common stock, $0.001 par value per share. As of December 31, 2015, 303,023,744 shares of common stock were issued and outstanding.

12. WARRANTS

The Company has the following shares of common stock reserved for exercise of the warrants outstanding as of December 31, 2015:

	December 31, 2015	
	Shares	Weighted Average Exercise Price
Warrants outstanding – beginning of year	20,709,845	$ 0.23
Warrants exercised	-	0.00
Warrants granted	17,856,563	0.20
Warrants expired	(6,140,400)	(0.33)
Warrants outstanding – end of period	32,426,008	$ 0.18

The weighted exercise price and weighted fair value of the warrants granted by us as of December 31, 2015, are as follows:

	December 31, 2015	
	Weighted Average Exercise Price	Weighted Average Fair Value
Weighted average of warrants granted during the year whose exercise price exceeded fair market value at the date of grant	$ 0.20	$ 0.20

The following table summarizes information about fixed-price warrants outstanding:

Number Range of Exercise Prices	Average Outstanding at December 31, 2015	Remaining Contractual Life	Weighted Average Exercise Price
$ 0.46	150,000	1 Months	$ 0.46
$ 0.85	40,000	4 Months	$ 0.85
$ 0.40	333,333	8 Months	$ 0.40
$ 0.33	439,637	13 Months	$ 0.33
$ 0.16	750,000	15 Months	$ 0.16
$ 0.21	14,946,119	30 Months	$ 0.21
$ 0.30	5,789,473	31 Months	$ 0.30
$ 0.06	7,067,002	34 Months	$ 0.06
$ 0.16	1,118,068	38 Months	$ 0.16
$ 0.13	863,392	40 Months	$ 0.13
$ 0.12	928,984	41 Months	$ 0.12
	32,426,008		

For the warrants issued in June 2015, the Company valued the warrants utilizing the Black Scholes model with the following inputs: stock price $0.11, exercise price of $0.20625, volatility of 142.53%, years 3, treasury bond rate of 2.5%, and dividend rate of 0%.

13. OPERATING LEASE COMMITMENTS

The Company leases certain business facilities under operating lease agreements that specify minimum rentals. Many of these have renewal provisions along with the option to acquire the property. The Company's net rent expense for the year ended December 31, 2015 and 2014 was $501,449 and $100,400, respectively. Future minimum lease payments under non-cancelable operating leases having an initial or remaining term of more than one year are as follows:

Year Ending December 31:	Scheduled Payments
2016	$ 541,656
2017	487,518
2018	478,587
2019	342,336
2020	256,173
2021 and thereafter	2,021,484
Total minimum rental payments	$ 4,127,754

14. LITIGATION AND CLAIMS

The Company is the subject of lawsuits and claims arising in the ordinary course of business from time to time. The Company reviews any such legal proceedings and claims on an ongoing basis and follow appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for the Company's financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company determined that there were no matters that required an accrual as of December 31, 2015, nor were there any asserted or unasserted claims for which material losses are reasonably possible.

15. SEGMENT INFORMATION

The Company's operating and reportable segments are currently organized around the following products that it offers as part of its core business strategy:

- Hydroponic Produce
- Cannabis Products

These two reportable segments, which are described in greater detail below, had previously been reported on a combined basis as they had been operated and evaluated as one operating segment. The Company experienced significant growth over the last year in most of our product areas. As the Company has grown organically, and as the Company previously added to its capabilities through acquisitions, its products have increased in scale and become more strategically important and distinctly organized and managed under these two groupings. In addition, Derek Peterson, the Company's chief operating decision maker ("CODM") has begun reviewing results and managing and allocating resources between these two strategic business groupings, and has begun budgeting using these business segments. The Company's segment information for the year ended December 31, 2014 has been reclassified to conform to its current presentation.

15. SEGMENT INFORMATION, Continued

The Company's CODM reviews revenues including intersegment revenues, gross profit and operating income (loss) before income taxes when evaluating segment performance and allocating resources to each segment. Accordingly, intersegment revenue is included in the segment revenues presented in the tables below and is eliminated from revenues and cost of sales in the "Eliminations and Other" column. The "Eliminations and Other" column also includes various income and expense items that the Company does not allocate to its operating segments. These income and expense amounts include the results of the Company's hydroponic equipment, which are not material, interest income, interest expense, corporate overhead, and corporate-wide expense items such as legal and professional fees as well as expense items for which we have not identified a reasonable basis for allocation. The accounting policies of the reportable segments are the same as those described in Note 1 of the Notes to the Consolidated Financial Statements.

Hydroponic Produce – The Company's locally grown hydroponic produce, which includes produce, herbs, and floral products, is started from seed and is grown in environmentally controlled greenhouses. When harvested, the products are sold through retailers targeted to customers seeking fresh produce locally grown using environmentally sustainable methods.

Cannabis Products – IVXX's cannabis products are currently produced in the Company's supercritical Co_2 lab in California and are sold in select dispensaries throughout California. The Company plans to operate medical marijuana cultivation, production, and dispensary facilities in Nevada through its subsidiaries, MediFarm, MediFarm I, and MediFarm II. The Company was granted eight provisional permits in Nevada and have received approval from the local authorities with respect to all of the permits.

Summarized financial information concerning the Company's reportable segments is shown in the following tables. Total asset amounts at December 31, 2015 and 2014 exclude intercompany receivable balances eliminated in consolidation.

	12 Months Ended December 31, 2015			
	Hydroponic Produce	Cannabis Products	Eliminations and Other	Total
Total Revenues	$ 8,633,538	$ 1,207,424	$ 134,384	$ 9,975,346
Cost of Goods Sold	7,771,039	1,078,852	108,584	8,958,475
	862,499	128,572	25,800	1,016,871
Selling, general and administrative expenses	1,910,375	763,728	7,159,543	9,833,646
Loss from operations	(1,047,876)	(635,156)	(7,133,743)	(8,816,775)
Other Income (Expenses)				
Amortization of debt discount	-	-	(696,180)	(696,180)
Loss on extinguishment of debt	-	-	(619,444)	(619,444)
Loss from derivatives issued with debt greater than debt carrying value	-	-	(561,000)	(561,000)
Gain (Loss) on fair market valuation of derivatives	-	-	1,800,100	1,800,100
Interest Income (Expense)	-	-	(469,576)	(469,576)
Total Other Income (Expense)	-	-	(546,100)	(546,100)
Loss before Provision of Income Taxes	$ (1,047,876)	$ (635,156)	$ (7,679,843)	$ (9,362,875)
Total assets at December 31, 2015	$ 5,383,659	$ 1,671,966	$ 2,109,414	$ 9,165,039

15. SEGMENT INFORMATION, Continued

	12 Months Ended December 31, 2014			
	Hydroponic Produce	Cannabis Products	Eliminations and Other	Total
Total Revenues	$ 6,627,109	$ -	$ 467,161	$ 7,094,270
Cost of Goods Sold	6,667,967	-	273,311	6,941,278
	(40,858)	-	193,850	152,992
Selling, general and administrative expenses	1,506,684	1,115,577	15,718,986	18,341,247
Loss from operations	(1,547,542)	(1,115,577)	(15,525,136)	(18,188,255)
Other Income (Expenses)				
Loss from derivatives issued with debt greater than debt carrying value	-	-	(4,808,000)	(4,808,000)
Gain (Loss) on fair market valuation of derivatives	-	-	1,912,037	1,912,037
Interest Income (Expense)	2,232	-	(1,098,556)	(1,096,324)
Total Other Income (Expense)	2,232	-	(3,994,519)	(3,992,287)
Loss before Provision of Income Taxes	$ (1,545,310)	$ (1,115,577)	$ (19,519,655)	$ (22,180,542)
Total assets at December 31, 2014	$ 5,956,861	$ 858,180	$ 904,185	$ 7,719,226

16. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2015, our subsidiary, IVXX, purchased raw materials totaling $248,855 from an entity in which the Company's Chief Executive Officer has an ownership interest. IVXX also sold finished goods amounting to $434,661 to that same entity. The terms of the purchases of the raw materials and sales of the finished goods were at arms-length. There was an accounts receivable balance of $98,304 from this entity as of December 31, 2015.

17. SUBSEQUENT EVENTS

Issuances and Sales of Common Stock:

During the first quarter of 2016, senior secured convertible promissory notes and accrued interest in the amount of $961,740 was converted into 13,906,149 shares of common stock.

In the first quarter of 2016, the Company sold 25,715,674 shares of common stock for the net amount of $3,208,134 pursuant to an equity financing facility with Magna Equities II, LLC.

In the first quarter of 2016, the Company adopted the 2016 Equity Incentive Plan. The Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 6.7 million shares of the Company's common stock. The options have an exercise price of $0.09, and vest quarterly over a three-year period.

17. SUBSEQUENT EVENTS, Continued

Amendment to Certificate of Designation of Series B Preferred Stock; Designation of New Series of Preferred Stock:

The Company filed an Amended and Restated Certificate of Designation of Series B Preferred Stock (the "Amended Series B Certificate") with the Secretary of State of the State of Nevada, effective March 29, 2016. The Amended Series B Certificate decreased the number of authorized shares of Series B Preferred Stock, specified a liquidation preference, clarified the provisions related to adjustments to the conversion rate upon certain events, and made such other amendments as the Company's Board of Directors deemed necessary.

Effective March 29, 2016, the Company also designated two additional series of preferred stock: (i) Series Z Preferred Stock and (ii) Series Q Preferred Stock, by filing Certificate of Designations with the Secretary of State of the State of Nevada. The Certificate of Designation of Series Z Preferred Stock (the "Series Z Certificate") designates 8,300 shares as Series Z Preferred Stock and is intended to mirror the rights of the holders of the Series B Preferred Stock. Each share of Series Z Preferred Stock is convertible into 1,857 shares of Series B Preferred Stock immediately upon the Company filing with the Secretary of State of the State of Nevada an Amendment to its Articles of Incorporation to increase its authorized capital for, among other reasons, satisfaction of the terms of the potential acquisition of Black Oak, as discussed in more detail below. The holders of the Series Z Preferred Stock are entitled to a liquidation preference equal to $10.00 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference (but equal with the holders of the Company's Series B Preferred Stock) to the holders of the common stock, but subordinate in preference to any sum to which the holders of the Company's Series A Preferred Stock are entitled.

The Certificate of Designation of Series Q Preferred Stock (the "Series Q Certificate") designates 21,600 shares as Series Q Preferred Stock. Each share of Series Q Preferred Stock is convertible into 5,000 shares of the Company's common stock immediately upon the Company filing with the Secretary of State of the State of Nevada an Amendment to its Articles of Incorporation to increase its authorized capital for, among other reasons, satisfaction of the terms of the potential acquisition of Black Oak, as discussed in more detail below. The holders of the Series Q Preferred Stock are entitled to a liquidation preference equal to $0.001 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). Such liquidation preference is in preference to the holders of the common stock, but subordinate in preference to any sum to which the holders of any shares of any other series of the Corporation's preferred stock are entitled.

Copies of the Series B Certificate, Series Z Certificate, and Series Q Certificate are attached as exhibits to this Annual Report on Form 10-K.

Acquisition of Blüm:

On January 12, 2016, the Company filed a Current Report on Form 8-K with the Securities and Exchange Commission, in which it disclosed that it had entered into an Agreement and Plan of Merger, dated December 23, 2015 (the "Merger Agreement"), with Generic Merger Sub, Inc., a California corporation and wholly-owned subsidiary of the Company (the "Merger Sub"), and Black Oak Gallery, a California corporation that operates a medical marijuana dispensary in Oakland, California under the name, Blüm ("Black Oak"). On March 1, 2016, the Company filed an amendment to its Current Report to disclose that the parties entered into a First Amendment to the Agreement and Plan of Merger, dated February 29, 2016 (the "First Amendment"), as described below. Pursuant to the Merger Agreement, among other things, and subject to the satisfaction or waiver of the closing conditions set forth in the Merger Agreement, Merger Sub will merge with and into Black Oak, with Black Oak as the surviving corporation, and becoming a wholly-owned subsidiary of the Company (the "Merger"). The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

17. SUBSEQUENT EVENTS, Continued

Subject to the terms and conditions of the Merger Agreement, at the closing of the Merger, the outstanding shares of common stock of Black Oak held by (i) three of the current shareholders of Black Oak (the "Group A Shareholders") will be converted into the right to receive approximately 8,172 shares of the Company's Series Z Preferred Stock, of which approximately 1,178 shares of Series Z Preferred Stock will be issued and paid at closing, and approximately 8,668,703 shares of the Company's Series B Preferred Stock, of which approximately 1,248,302 shares of Series B Preferred Stock will be issued and paid at closing and (ii) the remaining shareholders of Black Oak (the "Group B Shareholders") will be converted into the right to receive approximately 21,395 shares of the Company's Series Q Preferred Stock, of which approximately 3,700 shares of Series Q Preferred Stock will be issued and paid at closing. The shares of Series Z Preferred Stock, Series B Preferred Stock, and Series Q Preferred Stock that are issued but not paid to the Black Oak shareholders at closing will be subject to certain holdback and lock-up provisions, and held in an escrow account as security for the satisfaction of any post-closing adjustments or indemnification claims, as provided for in the Merger Agreement. Each share of Series Q Preferred Stock is to be converted into 5,000 shares of the Company's common stock and each share of Series Z Preferred Stock is to be converted into 1,857 shares of the Company's Series B Preferred Stock, in each case immediately upon the Company filing with the Secretary of State of the State of Nevada an Amendment to its Articles of Incorporation to increase its authorized capital for, among other reasons, satisfaction of the terms of this potential transaction. Accordingly, the approximately 21,395 shares of Series Q Preferred Stock to be issued to the Group B Shareholders is convertible into approximately 106,975,000 shares of common stock and the approximately 8,172 shares of Series Z Preferred Stock to be issued to the Group A Shareholders is convertible into approximately 15,175,404 shares of Series B Preferred Stock. Each share of Series B Preferred Stock remains convertible into 5.384325537 shares of common stock. Immediately following the effectiveness of the Merger, the current Black Oak shareholders (both the Group A Shareholders and the Group B Shareholders) are expected to own approximately 33.37% of the Company's common stock on a fully "as-converted basis," which percentage does not include certain shares of common stock, Series A Preferred Stock that may be converted into shares of common stock, or Series B Preferred Stock that may be converted into shares of common stock, as applicable, each as currently held by the Group A Shareholders. Derek Peterson, the Company's President and Chief Executive Officer, is one of the Group A Shareholders. The Group B Shareholders may also receive cash consideration equal to approximately $2,088,000.

The securities paid to the Group A Shareholders and the Group B Shareholders are subject to certain post-closing adjustments that are based on certain performance indicators as of the first anniversary of the closing date of the Merger. The first indicator is based on the performance of the volume-weighted average price of the Company's common stock on the first anniversary of the closing date of the Merger compared to the price of the Company's common stock on the date of the Merger Agreement. The second indicator is based on the Company's revenues for the twelve-month period following the closing date of the Merger. A portion of the securities that the Group A Shareholders and the Group B Shareholders are entitled to receive at closing of the Merger will be held in an escrow until the first anniversary of the closing date of the Merger and the post-closing adjustments are complete.

Consummation of the Merger is subject to certain closing conditions, including, among other things, receipt of all necessary approvals under federal and state securities laws, receipt of all authorizations required relating to the issuance of the Company's securities and transfer of all the shares pursuant to the terms of the Merger Agreement. The Company and Black Oak originally agreed that the closing of the Merger shall be as soon as reasonably practicable (but in any event, no later than the second business day) after the day on which the final closing conditions have been satisfied or validly waived, which satisfaction or waiver date shall not be prior to March 1, 2016 (the "Original Commitment Date"). On February 29, 2016, the parties executed the First Amendment to extend the Original Commitment Date to March 25, 2016. As a result of the First Amendment, the Company's right to terminate the Merger Agreement for any reason, in its discretion, was extended to March 25, 2016. The Company did not exercise its termination right. Accordingly, the Company can only terminate the Merger Agreement: (i) upon mutual written consent of all the parties, (ii) if there is a material breach of any covenant or obligation of Black Oak that is incapable of being cured prior to the closing date of the Merger or is not cured within 10 days Black Oak receives written notice of such breach, or (iii) the Company determines that the timely satisfaction of any of the closing conditions becomes impossible or impractical.

17. SUBSEQUENT EVENTS, Continued

Further, Black Oak committed to use commercially reasonable efforts to assist the Company in its preparation of Black Oak's financial statements, which statements are to be reasonably capable of being audited under GAAP and which audit is to be completed not later than June 8, 2016 (75 days after March 25, 2016). The Company will file a Current Report on Form 8-K to disclose these financial statements not later than June 8, 2016.

The Company expects to close the Merger on March 31, 2016.

Asset Purchase Agreement:

On March 10, 2016, the Company entered into an Asset Purchase Agreement (the "Purchase Agreement") with Therapeutics Medical, LLC (the "Seller"), pursuant to which the Company acquired from the Seller certain assets (the "Assets") related to a business engaged in the research, development, and marketing of nutraceutical supplements. The Purchase Agreement provides that the Company will issue a Convertible Promissory Note (the "Convertible Promissory Note") due September 10, 2017, to the Seller in the principal amount of $1.25 million for the purchase of the Assets. The Convertible Promissory Note accrues interest at the rate of one percent per annum, and is convertible into shares of the Company's common stock at a conversion price equal to 90% of the average of the lowest three (3) volume-weighted average prices of one share of common stock for the five (5) consecutive trading days prior to the conversion date.

In addition, the Company may be required to issue an additional Convertible Promissory Note to the Seller based on the following calculation:

(i) if the total revenue ("Total Revenue") generated by the Assets for the period beginning on April 1, 2016 and ending on March 31, 2017 (the "Applicable Period") is greater than $1.6 million but less than $3.2 million, the Company will issue to the Seller an additional Convertible Promissory Note in the principal amount equal to fifty (50%) of the Total Revenue in excess of $1.6 million; or

(ii) if the Total Revenue generated by the Assets for the Applicable Period is greater than $3.2 million, the Company will issue to the Seller an additional Convertible Promissory Note in the principal amount equal to the sum of: (a) $800,000 (which equals 50% of the Total Revenue in excess of $1.6 million up to $3.2 million), plus (b) twenty five (25%) percent of the Total Revenue for the Applicable Period in excess of $3.2 million.

SIGNATURES

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

TERRA TECH CORP.

Date: March 29, 2016

By: */s/ Derek Peterson*
Derek Peterson
President & Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Derek Peterson and Michael James, and each of them, as his true and lawful attorney-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Annual Report on Form 10-K of Terra Tech Corp. for the fiscal year ended December 31, 2015, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, grant unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the foregoing, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Power of Attorney has been signed by the following persons in the capacities and on the dates stated.

Dated: March 29, 2016

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer, and Director
(principal executive officer)

Dated: March 29, 2016

By: */s/ Amy Almsteier*
Amy Almsteier
Secretary, Treasurer, and Director

Dated: March 29, 2016

By: */s/ Michael A. Nahass*
Michael A. Nahass
Director

Dated: March 29, 2016

By: */s/ Steven J. Ross*
Steven J. Ross
Director

Dated: March 29, 2016

By: */s/ Kenneth Vande Vrede*
Kenneth Vande Vrede
Director

Dated: March 29, 2016

By: */s/ Steven Vande Vrede*
Steven VandeVrede
Director

Dated: March 29, 2016

By: */s/ Michael Vande Vrede*
Michael Vande Vrede
Director

Dated: March 29, 2016

By: */s/ Michael James*
Michael James
Chief Financial Officer
(principal accounting officer and principal financial officer)

Dated: March 29, 2016

By: */s/ Kenneth P. Krueger*
Kenneth P. Krueger
Director

EXHIBIT 2.5

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") dated as of December 23, 2015 (the "**Signing Date**"), is entered into by and among Terra Tech Corp., a Nevada corporation ("**Terra Tech**"), Generic Merger Sub, Inc., a California corporation and a wholly-owned subsidiary of Terra Tech (the "**Merger Sub**"), Black Oak Gallery, a California corporation doing business as "Blum" (the "**Company**"), and, with respect to Article 7 and Article 11 only, Salwa Ibrahim as representative of the Company Shareholders (the "**Shareholder Representative**").

RECITALS

A. The persons set forth on Annex A own or immediately prior to the Closing will own the number of shares of capital stock of Company (the "**Shares**") set forth opposite each person's name (each, a "**Company Shareholder**" and, collectively, the "**Company Shareholders**"), which Shares collectively constitute or, as of the Closing, will constitute all of the issued and outstanding shares of capital stock in Company.

B. Terra Tech owns all of the issued and outstanding equity securities of the Merger Sub, which was formed for the sole purpose of the merger of Merger Sub with and into Company, in which Company will be the surviving corporation (the "**Merger**") in accordance with and subject to the terms and conditions of this Agreement.

C. As consideration for the consummation of the Merger, Terra Tech will issue a certain number of shares of Terra Tech's Series B Preferred Stock and Series Q Preferred Stock to the Company Shareholders (collectively, the "**Payment Securities**") in accordance with and subject to the terms and conditions of this Agreement.

D. As a result of the Merger and the other transactions contemplated hereby (collectively, the "**Transactions**"), Terra Tech will become the sole shareholder of Company and the Company Shareholders will become stockholders of Terra Tech.

E. It is intended that the Merger will qualify as a tax-free reorganization within the meaning of section 368(a) of the Code.

F. Capitalized terms not defined herein are defined in Exhibit A attached hereto and incorporated herein by reference.

AGREEMENT

In consideration of the agreements, provisions, and covenants set forth below, Terra Tech, Merger Sub and Company hereby agree as follows:

ARTICLE 1
TRANSACTIONS

Section 1.1 The Merger.

(a) At the Effective Time, in accordance with the Corporations Code and upon the terms and subject to the conditions set forth in this Agreement, Merger Sub shall be merged with and into Company, at which time the separate existence of Merger Sub shall cease and Company shall survive the Merger as a wholly-owned subsidiary of Terra Tech . The Company as the surviving corporation after the Merger is sometimes referred to herein as the "**Surviving Corporation**."

(b) As soon as reasonably practicable after the satisfaction or valid waiver of all conditions to the Merger set forth inArticle 7 and Article 8, Company and Merger Sub shall file an agreement of merger in the form of Exhibit B attached hereto (the "**Agreement of Merger**") together with an officer's certificate meeting the requirements of the Corporations Code with the Secretary of State of the State of California. The Merger shall become effective at such time as the Agreement of Merger is endorsed by the Secretary of State of the State of California, or at such later time as the Company and Merger Sub may agree and specify in the Agreement of Merger (such time as the Merger becomes effective, the "**Effective Time**").

(c) The Merger shall have the effects set forth in the applicable provisions of the Corporations Code. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all rights, permits and property of Company and Merger Sub shall vest or remain vested in the Surviving Corporation, and all debts and liabilities of each of Company and Merger Sub shall become or remain the debts and liabilities of the Surviving Corporation.

(d) The closing of the Merger (the "**Closing**") shall take place (i) at the offices of Baker & Hostetler LLP located in Costa Mesa, California, as soon as reasonably practicable (but in any event, no later than the second Business Day) after the day on which the last condition to the Merger set forth in Article 7 and Article 8 is satisfied or validly waived (other than those conditions that by their nature cannot be satisfied until the Closing Date, but subject to the satisfaction or valid waiver of such conditions) or (ii) at such other place and time or on such other date as Company, Terra Tech and Merger Sub may agree in writing (the actual date of the Closing, the "**Closing Date**").

(e) The Articles of Incorporation of Company as in effect immediately prior to the Effective Time shall be amended as set forth onExhibit C, and, as so amended, shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended in accordance with the terms thereof and as provided by applicable Law.

(f) The bylaws of Company in effect at the Effective Time shall be amended to read the same as the bylaws of the Merger Sub in effect immediately prior to the Effective Time, and shall be the bylaws of the Surviving Corporation until thereafter amended in accordance with the terms thereof and as provided by applicable Law.

(g) The directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold

office in accordance with the articles of incorporation and the bylaws of the Surviving Corporation until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's articles of incorporation and bylaws. The officers of Merger Sub immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation.

Section 1.2 Conversion of Securities. At the Effective Time, pursuant to this Agreement and by virtue of the Merger and without any action on the part of Company, Terra Tech, Merger Sub or the holders of the Shares:

(a) Each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

(b) Each of the shares of capital stock of Company held by Company in any form or otherwise owned by Terra Tech or Merger Sub immediately prior to the Effective Time, if any, shall be canceled and retired and shall cease to exist, and no payment or distribution shall be made or delivered with respect thereto.

(c) Each of the Shares that is issued and outstanding immediately prior to the Effective Time to the Group A Shareholders (other than any Shares to be canceled pursuant to Section 1.2(b) and any Dissenting Shares), upon surrender of the certificate representing such Shares in the manner provided in Section 1.4 and subject to the deposit of the Escrow Shares pursuant to Section 1.5, will be automatically converted into the right to receive all of the following: (i) such number of shares of Payment Securities as is equal to the Group A Per-Share Closing Consideration, (ii) such number of shares of Payment Securities as is equal to the Group A Per-Share Lock-Up Consideration, and (iii) subject to the post-Closing adjustment provisions of Section 1.6 and the indemnification obligations of the Company Shareholders in Article 6, such number of shares of Payment Securities as is equal to the Group A Per-Share Holdback Consideration.

(d) Each of the Shares that is issued and outstanding immediately prior to the Effective Time to the Group B Shareholders (other than any Shares to be canceled pursuant to Section 1.2(b) and any Dissenting Shares), upon surrender of the certificate representing such Shares in the manner provided in Section 1.4 and subject to the deposit of the Escrow Shares pursuant to Section 1.5, will be automatically converted into the right to receive all of the following: (i) such number of shares of Payment Securities as is equal to the Group B Per-Share Closing Consideration, (ii) such number of shares of Payment Securities as is equal to the Group B Per-Share Lock-Up Consideration, (iii) a contingent right to receive an amount in cash equal to the Group B Per-Share Cash Consideration, and (iv) subject to the post-Closing adjustment provisions ofSection 1.6 and the indemnification obligations of the Company Shareholders in Article 6, such number of shares of Payment Securities as is equal to the Group B Per-Share Holdback Consideration.

(e) Any and all outstanding options, warrants and similar rights to purchase capital stock of Company that pursuant to their terms do not expressly require the assumption of the same in connection with the Merger shall be cancelled and shall cease to exist.

(f) No fraction of a share Payment Securities will be issued by virtue of the Merger, and each former holder of Shares who would otherwise be entitled to a fraction of a share of Payment Securities (after aggregating all fractional shares of Payment Securities that otherwise would be received by such holder) shall, upon surrender of such holder's Certificate(s), receive from Terra Tech an amount of cash in dollars (rounded to the nearest whole cent), without interest, less the amount of any withholding taxes with respect to the shares represented by such certificate which are required to be withheld with respect thereto, equal to the product of (i) such fraction, multiplied by (ii) the Terra Tech Closing Price; provided, however, that if the fraction of a share that any such holder would otherwise be entitled to receive in the Merger is less than one-half of 1 percent of the total shares of Payment Securities that person is entitled to receive, then the shares of Payment Securities issuable to the such holder in the Merger will be rounded off to the nearest whole share.

(g) The number of shares of Group A Per-Share Closing Consideration, Group A Per-Share Lock-Up Consideration, Group A Per-Share Holdback Consideration, Group B Per-Share Closing Consideration, Group B Per-Share Lock-Up Consideration, and Group B Per-Share Holdback Consideration shall be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Payment Securities or Shares), reorganization, recapitalization, reclassification or other like change with respect to Payment Securities occurring on or after the date of this Agreement and prior to the Effective Time.

Section 1.3 Dissenters' Rights.

(a) Notwithstanding any other provisions of this Agreement to the contrary, any Shares held by a holder who has not effectively withdrawn or lost such holder's dissenters' or similar rights under the Corporations Code (collectively, the "**Dissenting Shares**"), shall not be converted into or represent a right to receive Payment Securities as set forth in Section 1.2 hereof, but the holder thereof shall only be entitled to such rights as are provided by Corporations Code.

(b) Notwithstanding the provisions of Section 1.3(a), if any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's dissenters' rights under the Corporations Code, then, as of the later of the Effective Time and the occurrence of such event, such holder's shares shall automatically be converted into and represent only the right to receive the consideration for the Shares, as applicable, set forth in Section 1.2, without interest thereon, upon surrender of the certificate representing such shares.

Section 1.4 Exchange of Certificates.

(a) Exchange Procedures. Promptly after the Effective Time, Terra Tech shall mail to each holder of record of a certificate or certificates ("**Certificates**") that immediately prior to the Effective Time represented outstanding Shares that were converted into the right to receive Payment Securities or cash in lieu of any fractional shares pursuant to this Agreement, (i) a letter of transmittal in customary form and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Payment Securities. Upon surrender of Certificates for cancellation to Terra Tech together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by Terra Tech (including any required Form W-9 or Form W-8), the holders of such Certificates shall be entitled to receive in exchange therefor (x) certificates representing the number of whole shares of Payment Securities (after aggregating all Certificates surrendered by such holder) into which such holder is entitled pursuant to this Agreement, less the number of shares of Payment Securities to be deposited in the Escrow Account pursuant to Section 1.5 and (y) a check in the amount of dollars in lieu of fractional shares that such holders have the right to receive pursuant to Section 1.2(f), and the Certificates so surrendered shall forthwith be canceled. Until so surrendered, outstanding Certificates will be deemed from and after the Effective Time, for all corporate purposes, to evidence only the right to receive upon surrender thereof the number of whole shares of Payment Securities to which such holder is entitled pursuant to this Agreement or an amount in cash in lieu of the issuance of any fractional shares. No interest will be paid or accrued on any cash payable in lieu of fractional shares of Payment Securities. In the event of a transfer of ownership of Shares that is not registered in the transfer records of Company, a certificate representing the proper number of shares of Payment Securities and cash payable in lieu of fractional shares may be issued to a transferee if the Certificate representing such Shares is presented to Terra Tech, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid.

(b) Distributions With Respect to Unexchanged Shares. No dividends or other distributions declared or made after the date hereof with respect to Payment Securities with a record date after the Effective Time will be paid to the holders of any unsurrendered Certificates with respect to the shares of Payment Securities represented thereby until the holders of record of such Certificates shall surrender such Certificates. Subject to applicable law, following surrender of any such Certificates, Terra Tech shall deliver to the record holders thereof, without interest, (i) promptly after such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the whole shares of Payment Securities represented thereby, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date occurring after surrender, payable with respect to such whole shares of Payment Securities.

(c) Lost, Stolen or Destroyed Certificates. In the event that any Certificates shall have been lost, stolen or destroyed prior to the Closing Date, Terra Tech shall issue and pay in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof, certificates representing the shares of Payment Securities into which the Shares represented by such Certificates were converted pursuant to this Agreement, cash for fractional shares, if any, as may be required pursuant hereto, and any dividends or distributions payable pursuant to Section 1.4(b).

(d) No Further Ownership Rights in Company Stock. All shares of Payment Securities, cash in lieu of fractional shares of Payment Securities and dividends or other distributions with respect to Payment Securities issued in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares, and there shall be no further registration of transfers on the records of the Surviving Corporation of Shares that were outstanding immediately prior to the Effective Time.

(e) Liability. Notwithstanding anything to the contrary herein, neither Terra Tech, Company, the Surviving Corporation nor any party hereto shall be liable to a holder of Shares for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

Section 1.5 Escrow Account.

(a) Subject to Section 1.5(b), at the Closing, Terra Tech shall deliver, and the Company Shareholders shall be deemed to have received and deposited, (i) a certificate or certificates representing the Lock-Up Shares Amount (not including the aggregate Per-Share Closing Consideration to be issued at Closing, subject only to the restrictions of Rule 144 promulgated under the Securities Act) and (ii) the Holdback Shares Amount (collectively, the "**Escrow Shares**") into a non-interest bearing escrow account (the "**Escrow Account**") to be established by Terra Tech with an escrow agent to be designated by Terra Tech and approved by the Shareholder Representative prior to the Closing (the " **Escrow Agent**"), to be held by the Escrow Agent pursuant to the terms of an escrow agreement, in substantially the form attached hereto as Exhibit D, together with such other modifications as shall be required by the Escrow Agent that are reasonably satisfactory to Terra Tech and the Shareholder Representative (the " **Escrow Agreement**"). Each Company Shareholder shall be deemed to have deposited into the Escrow Account such Company Shareholder's Pro Rata Share of the Escrow Shares. The portion of such Escrow Shares equal to the Lockup Shares Amount shall be released on the Escrow Release Date in accordance with the Escrow Agreement. The portion of such Escrow Shares equal to the Holdback Shares Amount shall provide security for the satisfaction of any Post-Closing Adjustments and any claims for indemnification made under Article 6. Any fees and expenses of the Escrow Agent shall be paid by Terra Tech. The Escrow Shares shall be retained in the Escrow Account until released pursuant to this Section 1.5 or Section 6.3. During the period in which the Escrow Shares are retained in the Escrow Account, they will be held for the benefit of the Company Shareholders (and the Company Shareholders shall be entitled to receive cash dividends on, and vote, such shares of Payment Securities), unless and until and to the extent it has been determined that that Terra Tech or any Terra Tech Indemnified Party is entitled to retain any of the Escrow Shares in respect of any Post-Closing Adjustments or any indemnification claims pursuant to Article 6.

(b) Within ten (10) Business Days following the one-year anniversary of the Closing (the "**Escrow Release Date**"), Terra Tech and the Shareholder Representative shall each instruct the Escrow Agent in writing to take the following actions:

(i) The Escrow Agent shall be instructed to retain aggregate (A) Escrow Shares with a value that is equal to the aggregate Post-Closing Adjustments (assuming for this purpose that the Escrow Shares are converted directly or indirectly into Terra Tech Common Stock and valued at

the Terra Tech Closing Price) plus (B) Escrow Shares with a value that is equal to the aggregate Outstanding Claims at such time (assuming for this purpose that the Escrow Shares are valued in accordance with Section 6.3(f)), if any (or such lesser amount of Escrow Shares as shall be remaining in the Escrow Account at such time) (collectively, the "**Retained Escrow Consideration**").

(ii) With respect to the Escrow Shares, if any, that are in excess of the Retained Escrow Consideration, the Escrow Agent shall be instructed to promptly (and, in any event, no later than two (2) Business Days after delivery of such instructions) deliver all of such Escrow Shares to the Company Shareholders in proportion to their respective Pro Rata Shares.

(c) In the event and to the extent that, after the Escrow Release Date (i) the final determination of the amount of any Outstanding Claim in respect of any Retained Escrow Consideration is resolved against the relevant Terra Tech Indemnified Party(ies) (such amount, a "**Company Favorable Outcome**") and (ii) the value of the Retained Escrow Consideration (determined in accordance with Section 6.3(f)) exceeds the aggregate finally determined Post-Closing Adjustments and Outstanding Claims at such time, after giving effect to such Company Favorable Outcome (such excess, if any, the "**Retained Escrow Excess**"), each of Terra Tech and the Shareholder Representative shall promptly instruct the Escrow Agent in writing to forthwith promptly (and, in any event, no later than two (2) Business Days after delivery of such instructions) distribute all of such Retained Escrow Excess to the Company Shareholders in proportion to their respective Pro Rata Shares.

(d) In the event and to the extent that, after the Escrow Release Date (i) the final determination of the amount of any Outstanding Claim in respect of any Retained Escrow Consideration is resolved in favor of the relevant Terra Tech Indemnified Party(ies), each of Terra Tech and the Shareholder Representative shall promptly instruct the Escrow Agent in writing to promptly (and, in any event, no later than two (2) Business Days after delivery of such instructions) deliver Retained Escrow Consideration to such Terra Tech Indemnified Party(ies).

Section 1.6 Post-Closing Adjustment Provisions. The number of Payment Securities payable in consideration of the Merger shall be subject to adjustment as follows (the "**Post-Closing Adjustments**"):

(a) No later than five (5) Business Days following the one-year anniversary of the Closing Date, Terra Tech shall prepare and deliver to the Shareholder Representative a statement (the "**Adjustment Statement**") setting forth its calculations of the Market-Based Clawback Amount and the Performance-Based Clawback Amount, calculated as set forth below. Terra Tech shall make available to the Shareholder Representative all relevant books and records relating to the Adjustment Statement upon reasonable prior request.

(b) For purposes of this Section 1.6:

(i) The "**Market-Based Clawback Amount**" shall be determined as follows:

(ii) If the Terra Tech Common Stock VWAP on the first anniversary of the Closing Date (the "**Anniversary Date**") exceeds the Terra Tech Closing Price, the Market-Based Clawback Amount shall mean the number of shares of Terra Tech Common Stock equal to (i) (A) $4,912,000.00 divided by (B) the Terra Tech Closing Price, less (ii) (A) $4,912,000.00 divided by (B) the Terra Tech Common Stock VWAP on the Anniversary Date.

(iii) If the Terra Tech Common Stock VWAP on the Anniversary Date is less than or equal to the Terra Tech Closing Price, the Market-Based Clawback Amount shall be zero (0) shares.

(iv) For the avoidance of doubt, in no event will the Market-Based Clawback Amount exceed 50% of the Holdback Shares Amount.

(v) The "**Performance-Based Clawback Amount**" shall be determined as follows:

(vi) The "**Lower Threshold**" means an amount equal to $11,979,351.00, and the "**Upper Threshold**" means an amount equal to $16,667,000.00.

(vii) If the Surviving Corporation's operating revenues (defined as gross revenues from normal business operations including IVXX sales, as determined consistent with Terra Tech's accounting practices consistently applied) for the twelve-month period following the Closing Date (the "**Year 1 Revenue**") is less than the Lower Threshold, then the Performance-Based Clawback Amount shall be the number of shares of Payment Securities (determined on an as-converted to Terra Tech Common Stock basis) obtained from a quotient, (A) the numerator of which is equal to the sum of (1) $4,912,000.00, plus (2) the product of 1.5 multiplied by the difference between the Lower Threshold and the Year 1 Revenue, and (B) the denominator of which is the Terra Tech Common Stock VWAP as of the Anniversary Date.

(viii) If the Year 1 Revenue is greater than or equal to the Lower Threshold but is less than the Upper Threshold, then the Performance-Based Clawback Amount shall be the number of shares of Payment Securities (determined on an as-converted to Terra Tech Common Stock basis) obtained from a quotient, (A) the numerator of which is equal to the product of 1.053 multiplied by the difference between the Upper Threshold and the Year 1 Revenue, and (B) the denominator of which is the Terra Tech Common Stock VWAP as of the Anniversary Date.

(ix) If the Year 1 Revenue is greater than or equal to the Upper Threshold, then the Performance-Based Clawback Amount shall be zero (0) shares.

(x) "**Clawback Shares Amount**" means a number of shares of Payment Securities (determined on an as-converted to Terra Tech Common Stock basis) equal to the sum of the Market-Based Clawback Amount and the Performance-Based Clawback Amount; provided, however, that, notwithstanding any other provision of this Agreement, the Clawback Shares Amount shall not exceed the Holdback Shares Amount. The Clawback Shares Amount shall be allocated as to shares of Terra Tech's Series B Preferred Stock, Series Z Preferred Stock and Series Q Preferred Stock contained in the Holdback Shares Amount on an as-converted to Terra Tech Common Stock basis.

(c) After Terra Tech delivers an Adjustment Statement pursuant to Section 1.6(a), the Shareholder Representative will notify Terra Tech in

writing of any objections to the Adjustment Statement within 45 calendar days after the Shareholder Representative receives the Adjustment Statement. If the Shareholder Representative does not notify Terra Tech of any such objections by the end of that 45-day period, then the Adjustment Statement will be considered final, conclusive and binding upon the Parties at the end of the last day of that 45-day period. If the Shareholder Representative does notify Terra Tech of any such objections by the end of that 45-day period and the Shareholder Representative and Terra Tech are unable to resolve their differences within 30 calendar days after the Shareholder Representative gives Terra Tech notice of the Shareholder Representative's objection, then the Shareholder Representative and Terra Tech will, and will instruct their respective accountants and advisors to, use commercially reasonable efforts to resolve such disputed items to their mutual satisfaction. If the Shareholder Representative and Terra Tech are able to resolve such disputed items, then the Adjustment Statement as agreed by the Shareholder Representative and Terra Tech will be considered final, conclusive and binding upon the Parties. If the Shareholder Representative and Terra Tech are unable to resolve any such disputed items within 30 calendar days after receiving such instructions, then the remaining disputed items and the value attributable to them by each of the Shareholder Representative and Terra Tech will be submitted to a recognized accounting firm mutually agreed by Terra Tech and the Representative (the "**Arbiter**") for resolution, and the Arbiter will be instructed to determine the Adjustment Statement and to deliver its determination to the Shareholder Representative and Terra Tech as soon as possible. The Arbiter will consider only those items and amounts in the Shareholder Representative's and Terra Tech's respective calculations of the items in the Adjustment Statement that are identified as disputed. The Arbiter's determination of the final Adjustment Statement will be based solely on written materials submitted by the Shareholder Representative and Terra Tech (i.e., not on independent review) and on the definitions set forth in, and the operation of this Section 1.6. The determination of the Arbiter will be final, conclusive and binding upon the Parties. Terra Tech will pay the costs of the Arbiter; provided, however, that, if the Arbiter's determination of the Clawback Shares Amount in the Adjustment Statement is closer to the value initially asserted by Terra Tech to the Arbiter, then such costs paid by Terra Tech will be indemnifiable by the Company Shareholders in accordance with Article 6. Each of Terra Tech and the Shareholder Representative will cooperate with and assist the Arbiter in determining the final Adjustment Statement, including by making available and granting reasonable access to books, records and employees.

(d) Following the final determination of the Clawback Shares Amount in accordance with this Section 1.6, the Escrow Agent shall release all remaining Escrow Shares from the Escrow Account in accordance with Section 1.5, other than the finally determined Clawback Shares Amount and any Retained Escrow Consideration that is the subject of a then-Outstanding Claim.

Section 1.7 Tax Consequences and Withholding.

(a) Consequences. It is intended by the parties hereto that the Merger shall constitute a "reorganization" within the meaning of Section 368(a)(i)(A) of the Code and that the exchange of Shares for the Payment Securities pursuant to Section 1.2 shall be treated as an exchange described in Section 354(a) of the Code. The parties hereto shall comply with all tax filing requirements under Sections 368 and 354 of the Code and shall not make any tax filing that is inconsistent with the foregoing intent. The parties hereto adopt this Agreement as a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g) and Treasury Regulation Section 1.368-3(a).

(b) Withholding. Each of Terra Tech and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement to any former Company Shareholder such amounts as may be required to be deducted or withheld therefrom under the Code or under any provision of state, local or foreign tax law or under any other applicable law. To the extent such amounts are so deducted and withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Shareholder in respect of whom such deduction and withholding was made.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedule dated as of the date of the Agreement and delivered to Terra Tech on behalf of Company consisting of information about Company provided by Company to Terra Tech and the Merger Sub in connection with this Agreement (the "**Company Disclosure Schedule**"), Company represents and warrants, to Terra Tech and the Merger Sub as follows:

Section 2.1 Organization and Qualification. Company is duly incorporated, validly existing and in good standing existing under the laws of California, has all requisite authority and power (corporate and other), governmental licenses, authorizations, consents, and approvals to carry on its business as presently conducted and as contemplated to be conducted, to own, hold, and operate its properties and assets as now owned, held, and operated by it, to enter into this Agreement, to carry out the provisions hereof, except where the failure to be in good standing or to have such governmental licenses, authorizations, consents, and approvals will not, in the aggregate, either (a) have a Material Adverse Effect on Company, or (b) impair the ability of Company to perform its material obligations under this Agreement. Company is duly qualified, licensed, or domesticated as a foreign corporation in good standing in each jurisdiction wherein the nature of its activities or its properties owned or leased requires such qualification, licensing, or domestication, except where the failure to be so qualified, licensed, or domesticated will not have a Material Adverse Effect. Set forth as part of the Company Disclosure Schedule is a list of those jurisdictions in which Company presently conducts its business, and owns, holds, and operates its properties and assets.

Section 2.2 Subsidiaries. Company does not own directly or indirectly, any equity or other ownership interest in any corporation, partnership, joint venture, or other entity or enterprise. Company does not have any direct or indirect interests of stock ownership or otherwise in any corporation, partnership, joint venture, firm, association, or business enterprise, and is not party to any agreement to acquire such an interest.

Section 2.3 Articles of Incorporation and Bylaws. The copies of the charter document and corporate governance documents of Company (collectively, the "**Organizational Documents**") that have been delivered to Terra Tech and the Merger Sub prior to the date hereof are true and complete and have not been amended or repealed. Company is not in violation or breach of any of the provisions of the Organizational Documents, except for such violations or breaches which, in the aggregate, will not have a Material Adverse Effect on Company.

Section 2.4 Authorization and Validity of this Agreement. This Agreement and each of the Transaction Agreements constitute the legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms, except as such enforcement is limited by general equitable principles, or by bankruptcy, insolvency, and other similar laws affecting the enforcement of creditors rights generally. The execution and delivery by Company of this Agreement and the Transaction Agreements (to the extent either is a party thereto), and the consummation of the Transactions have been authorized by all necessary corporate or other action on the part of Company. This Agreement and the Transaction Agreements have been duly executed and delivered by Company.

Section 2.5 No Violation. Neither the execution nor delivery of this Agreement or the Transaction Agreements, nor the consummation or performance of any of the Transactions by Company will directly or indirectly:

(a) (i) violate or conflict with any provision of the Organizational Documents of Company; (ii) result in (with or without notice or lapse of time) a violation or breach of, or conflict with or constitute a default or result in the termination or in a right of termination or cancellation of, or accelerate the performance required by, or require notice under, any agreement, promissory note, lease, instrument, or arrangement to which Company or any of its assets are bound or result in the creation of any Liens upon Company or any of its assets; (iii) violate any Order, writ, judgment, injunction, ruling, award, or decree of any Governmental Body; (iv) violate any statute, law, or regulation of any jurisdiction as such statute, law, or regulation that relates to Company or any of the assets of Company; or (v) result in cancellation, modification, revocation, or suspension of any permits, licenses, registrations, consents, approvals, authorizations, or certificates issued or granted by any Governmental Body which are held by or granted to the Company Shareholders or Company or which are necessary for the conduct of Company's business; or

(b) to the knowledge of Company, cause Company to become subject to, or to become liable for the payment of, any Tax or cause any of the assets owned by Company to be reassessed or revalued by any taxing authority or other Governmental Body.

Section 2.6 Capitalization and Related Matters. Immediately prior to the Closing:

(a) Capitalization. The Company has or will have 39,772.74 shares of Company Common Stock issued and outstanding. Except as set forth in the preceding sentence, no other class of capital stock or other security of Company is authorized, issued, reserved for issuance, or outstanding. The Company Shareholders, are the lawful, record and beneficial owners of the number of Shares set forth opposite each Shareholder's name on Schedule 2.6 attached hereto. Except as is set forth on Schedule 2.6, no other class of capital stock or other security of Company, as applicable, is authorized, issued, reserved for issuance, or outstanding. Each of the Shares has been duly authorized and validly issued and is fully paid and nonassessable. None of the outstanding capital or other securities of Company was issued, redeemed, or repurchased in violation of the Securities Act, or any other securities or "blue sky" laws.

(b) No Redemption Requirements. There are no authorized or outstanding options, warrants, Equity Securities, calls, rights, commitments, or agreements of any character by which Company or to its knowledge, any of the Company Shareholders is obligated to issue, deliver, or sell, or cause to be issued, delivered, or sold, any shares of capital stock or other securities of Company. There are no outstanding contractual obligations (contingent or otherwise) of Company to retire, repurchase, redeem, or otherwise acquire any outstanding shares of capital stock of, or other ownership interests in, Company or to provide funds to or make any investment (in the form of a loan, capital contribution, or otherwise) in any other entity.

Section 2.7 Compliance with Laws and Other Instruments. Except as would not have a Material Adverse Effect, the business and operations of Company have been and are being conducted in accordance with all applicable local laws, rules and regulations and all applicable orders, injunctions, decrees, writs, judgments, determinations, and awards of all courts and governmental agencies and instrumentalities. Except as would not have a Material Adverse Effect, Company is not, and has not received notice alleging that it is, in violation of, or (with or without notice or lapse of time or both) in default under, or in breach of, any term or provision of the Organizational Documents or of any indenture, loan or credit agreement, note, deed of trust, mortgage, security agreement, or other material agreement, lease, license, or other instrument, commitment, obligation, or arrangement to which Company is a party or by which any of Company's properties, assets, or rights are bound or affected. To the knowledge of Company, no other party to any Material Contract, agreement, lease, license, commitment, instrument, or other obligation to which Company is a party is (with or without notice or lapse of time or both) in default thereunder or in breach of any term thereof. Company is not subject to any obligation or restriction of any kind or character, nor is there, to the knowledge of Company, any event or circumstance relating to Company that prohibits Company from entering into this Agreement and the Transaction Agreements or the consummation of the Transactions contemplated hereby or thereby.

Section 2.8 No Brokers or Finders. None of Company, or to its knowledge, the Company Shareholders, has agreed to pay, or has taken any action that will result in any Person or Entity becoming obligated to pay or entitled to receive, any investment banking, brokerage, finder's, or similar fee or commission in connection with this Agreement or the Transactions.

Section 2.9 Title to and Condition of Properties. Company has good, valid, and marketable title to all of its properties and assets (whether real, personal or mixed, and whether tangible or intangible) reflected as owned in its books and records, free and clear of all Liens, except that much of the Company's inventory is held on consignment from various providers. Company owns or holds under valid leases or other rights to use all real property, plants, machinery, equipment, and all assets necessary for the conduct of its business as presently conducted, except where the failure to own or hold such property, plants, machinery, equipment, and assets would not have a Material Adverse Effect on Company. No Person other than Company owns or has any right to the use or possession of the assets used in Company's business. The material buildings, plants, machinery, and equipment necessary for the conduct of the business of Company as presently conducted are structurally sound, are in good operating condition and repair and are adequate for the uses to which they are being put or would be put in the Ordinary Course of Business, in each case, taken as a whole, and none of such buildings, plants, machinery, or equipment is in need of maintenance or repairs, except for ordinary, routine maintenance, and repairs that are not material in nature or cost.

Section 2.10 Absence of Undisclosed Liabilities. Company has no debt, obligation, or liability (whether accrued, absolute, contingent, liquidated, or otherwise, whether asserted or unasserted, whether due or to become due, whether or not known to Company) arising out of any transaction entered into prior to the Closing Date or any act or omission prior to the Closing Date which individually or taken together would constitute a Material Adverse Effect on Company. Company has no debt, obligation, or liability to any of the Company Shareholders or their affiliates, or to the extent specifically set forth on or reserved against on the balance sheet (the "Balance Sheet") of Company as at December 31, 2015 (the "Balance Sheet Date"), which Balance Sheet will be prepared by the Company, approved by the Shareholder Representative, and delivered to Terra Tech no later than January 31, 2016. The financial statements of the Company as of the Balance Sheet Date are consistent with the books and records of Company and fairly present in all material respects the financial condition, assets, and liabilities of Company, as applicable, taken as a whole, as of the dates and periods indicated, and were prepared in accordance with the accounting practices followed by Company, consistently applied (except as otherwise indicated therein or in the notes thereto).

Section 2.11 Changes. Company has not, since the Balance Sheet Date:

(a) Ordinary Course of Business. Conducted its business or entered into any transaction other than in the Ordinary Course of Business, except for entering into this Agreement and the transactions contemplated hereby;

(b) Adverse Changes. Suffered or experienced any change in or affecting, its condition (financial or otherwise), properties, assets, liabilities, business, operations, results of operations, or prospects which would have a Material Adverse Effect;

(c) Loans. Made any loans or advances to any Person other than travel advances and reimbursement of expenses made to employees, officers, and directors in the Ordinary Course of Business;

(d) Compensation and Bonuses. Made any payments of any bonuses or compensation other than regular salary payments or payments in consideration of previously uncompensated or under-compensated services not in excess of $50,000 in the aggregate, or increase in the salaries or payment on any of its debts in the Ordinary Course of Business, to any of its shareholders, directors, officers, employees, independent contractors, or consultants or entry into by it of any employment, severance, or similar contract with any director, officer, or employee, independent contractor, or consultant; or adopted, or increased in the payments to or benefits under, any Approved Plan or any profit sharing, bonus, savings, insurance, pension, retirement, or other employee benefit plan for or with any of its employees;

(e) Liens. Created or permitted to exist any Lien on any of its properties or assets other than Permitted Liens;

(f) Capital Stock. Issued, sold, disposed of or encumbered, or authorized the issuance, sale, disposition or encumbrance of, or granted or issued any option to acquire any shares of its capital stock or any other of its securities or any Equity Security, or altered the term of any of its outstanding securities or made any change in its outstanding shares of capital stock or its capitalization, whether by reason of reclassification, recapitalization, stock split, combination, exchange or readjustment of shares, stock dividend, or otherwise; changed its authorized or issued capital stock; granted any stock option or right to purchase shares of its capital stock; issued any security convertible into any of its capital stock; granted any registration rights with respect to shares of its capital stock; purchased, redeemed, retired, or otherwise acquired any shares of its capital stock; or declared or paid any dividend or other distribution or payment in respect of shares of capital stock of any other entity;

(g) Dividends. Declared, set aside, made, or paid any dividend or other distribution to any of its shareholders;

(h) Material Contracts. Terminated or modified any of its Material Contracts except for termination upon expiration in accordance with the terms of such agreements, a description of which is included in the Company Disclosure Schedule;

(i) Claims. Released, waived, or cancelled any claims or rights relating to or affecting Company in excess of $50,000.00 in the aggregate or instituted or settled any Proceeding involving in excess of $50,000.00 in the aggregate;

(j) Discharged Liabilities. Paid, discharged, cancelled, waived or satisfied any claim, obligation or liability in excess of $50,000.00 in the aggregate, except for liabilities incurred in the Ordinary Course of Business;

(k) Indebtedness. Created, incurred, assumed, or otherwise become liable for any Indebtedness or commit to any endeavor involving a commitment in excess of $50,000.00 in the aggregate, other than contractual obligations incurred in the Ordinary Course of Business;

(l) Guarantees. Guaranteed or endorsed in a material amount any obligation or net worth of any Person;

(m) Acquisitions. Acquired the capital stock or other securities or any ownership interest in, or substantially all of the assets of, any other Person;

(n) Accounting. Changed its method of accounting or the accounting principles or practices utilized in the preparation of its financial statements, except changes made in contemplation of the transactions entered into under this Agreement; or

(o) Agreements. Entered into any agreement, or otherwise obligated itself, to do any of the foregoing.

Section 2.12 Material Contracts.

(a) Material Contracts. Prior to the Signing Date, Company has delivered to Terra Tech and the Merger Sub, true, correct, and complete copies of each of its Material Contracts.

(b) No Defaults. The Material Contracts of Company are valid and binding agreements of Company, as applicable, and are in full force and effect and are enforceable in accordance with their terms. Except as would not have a Material Adverse Effect, Company is not in breach or default of any of its Material Contracts and, to the knowledge of Company, no other party to any of its Material Contracts is in breach or default thereof. Except as would not have a Material Adverse Effect, no event has occurred or circumstance has existed that (with or without notice or lapse of time) would (i) contravene, conflict with, or result in a violation or breach of, or become a default or event of default under, any provision of any of its Material Contracts or (ii) permit Company or any other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify any of its Material Contracts. Company has not received any notice and has no knowledge of any pending or threatened cancellation, revocation, or termination of any of its Material Contracts to which it is a party, and there are no renegotiations of, or attempts to renegotiate.

Section 2.13 Tax Returns and Audits.

(a) Tax Returns. (i) All material Tax Returns required to be filed by or on behalf of Company have been timely filed and all such Tax Returns were (at the time they were filed) and are true, correct, and complete in all material respects; (ii) all Taxes of Company required to have been paid (whether or not reflected on any Tax Return) have been fully and timely paid, except those Taxes which are presently being contested in good faith or for which an adequate reserve for the payment of such Taxes has been established on the Balance Sheet; (iii) no waivers of statutes of limitation have been given or requested with respect to Company in connection with any Tax Returns covering Company or with respect to any Taxes payable by it; (iv) no Governmental Body in a jurisdiction where Company does not file Tax Returns has made a claim, assertion or threat to Company that Company is or may be subject to taxation by such jurisdiction; (e) Company has duly and timely collected or withheld, paid over, and reported to the appropriate Governmental Body all amounts required to be so collected or withheld for all periods under all applicable laws; (v) there are no Liens with respect to Taxes on the property or assets of Company other than Permitted Liens; (vi) there are no Tax rulings, requests for rulings, or closing agreements relating directly to Company for any period (or portion of a period) that would affect any period after the date hereof; and (vii) any adjustment of Taxes of Company made by a Governmental Body in any examination that Company is required to report to the appropriate provincial, local, or foreign taxing authorities has been reported, and any additional Taxes due with respect thereto have been paid. No state of fact exists or has existed which would constitute ground for the assessment of any tax liability by any Governmental Body. All Tax Returns filed by Company are true, correct, and complete.

(b) No Adjustments, Changes. Neither Company nor any other Person on behalf of Company (i) has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any predecessor provision thereof or any similar provision of provincial, local or foreign law; or (ii) has agreed to or is required to make any adjustments pursuant to Section 481(a) of the Code or any similar provision of provincial, local, or foreign law.

(c) No Disputes. There is no pending audit, examination, investigation, dispute, proceeding, or claim with respect to any Taxes of or Tax Return filed or required to be filed by Company. Company has made available to Terra Tech and the Merger Sub true, correct, and complete copies of all Tax Returns, examination reports, and statements of deficiencies assessed or asserted against or agreed to by Company since September 28, 2011, and any and all correspondence with respect to the foregoing. Company does not have any outstanding closing agreement, ruling request, request for consent to change a method of accounting, subpoena, or request for information to or from a Governmental Body in connection with any Tax matter.

(d) No Tax Allocation, Sharing. Company is not a party to any Tax allocation or sharing agreement. Company (i) has not been a member of a Tax Group filing a consolidated income Tax Return under Section 1501 of the Code (or any similar provision of provincial, local, or foreign law), and (ii) does not have any liability for Taxes for any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of provincial, local, or foreign law) as a transferee or successor, by contract or otherwise.

(e) Certain Deductions. Company has not taken or claimed any deductions or credits on its U.S. federal Tax Returns that are disallowed under Section 280E of the Code.

Section 2.14 Material Assets. The financial statements of Company reflect the material properties and assets (real and personal) owned or leased by them.

Section 2.15 Insurance. Section 2.15 of the Company Disclosure Schedule sets forth a true and complete list of all insurance policies covering the assets, rights, business, equipment, properties, operations, employees, officers and directors of Company. All premiums payable under all such policies and bonds have been paid and, to the knowledge of Company, Company is otherwise in material compliance with the terms of such policies.

Section 2.16 Litigation; Orders. There is no Proceeding pending to the knowledge of Company affecting Company or any of its properties, assets, business, or employees. Except as is set forth on Schedule 2.16, and except as would not have a Material Adverse Effect, to the knowledge of Company, there is no fact that might result in or form the basis for any such Proceeding. Except as is set forth on Schedule 2.16, and except as would not have a Material Adverse Effect, Company has not received any written opinion or memorandum or legal advice from their legal counsel to the effect that Company is exposed, from a legal standpoint, to any liability that would be material to its business. Company is not engaged in any Proceeding to recover monies due it or for damages sustained by it.

Section 2.17 Licenses. Except as would not have a Material Adverse Effect, Company possesses from the appropriate Governmental Body all licenses, permits, authorizations, approvals, franchises, and rights that are necessary for it to engage in its business as currently conducted and to permit it to own and use its properties and assets in the manner in which it currently owns and uses such properties and assets (collectively, "**Permits**"). Except as would not have a Material Adverse Effect, Company has not received any written notice from any Governmental Body or other Person that there is lacking any license, permit, authorization, approval, franchise, or right necessary for Company to engage in its business as currently conducted and to permit Company to own and use its properties and assets in the manner in which it currently owns and uses such properties and assets. Except as would not have a Material Adverse Effect, the Permits are valid and in full force and effect. Company has not received any written notice from any Governmental Body or any other Person regarding: (y) any actual, alleged, possible, or potential contravention of any Permit; or (z) any actual, proposed, possible or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to, any Permit. All applications required to have been filed for the renewal of such Permits have been duly filed on a timely basis with the appropriate Persons, and all other filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Persons.

Section 2.18 Interested Party Transactions. Subject to such disclosures otherwise made in the Company Disclosure Schedule, no officer, director, or Shareholder of Company or any affiliate, Related Person, or "associate" (as such term is defined in Rule 405 of the SEC under the Securities Act) of any such Person, either directly or indirectly, (a) has an interest in any Person which (i) furnishes or sells services or products which are furnished or sold or are proposed to be furnished or sold by Company, or (ii) purchases from or sells or furnishes to, or proposes to purchase from, sell to, or furnish to Company any goods or services; (b) has a beneficial interest in any contract or agreement to which Company is a party or by which it may be bound or affected; or (c) is a party to any material agreements, contracts, or commitments in effect as of the date hereof with Company. "Related Person" means: (y) with respect to a particular individual, the individual's immediate family which shall include the individual's spouse, parents, children, siblings, mothers, and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law; and (z) with respect to a specified individual or Entity, any Entity or individual that, directly or indirectly, controls, is controlled by, or is under common control with such specified Entity or individual.

Section 2.19 Governmental Inquiries. Company has made available to Terra Tech and the Merger Sub a copy of each material written inspection report, questionnaire, inquiry, demand, or request for information received by Company from (and the response of Company thereto), and each material written statement, report or other document filed by Company with, any Governmental Body since September 28, 2011.

Section 2.20 Bank Accounts. The Company Disclosure Schedule discloses the title and number of each bank or other deposit or financial account, the financial institution at which that account is maintained, and the names of the persons authorized to draw against the account or otherwise have access to the account, as the case may be.

Section 2.21 Intellectual Property. Any Intellectual Property Company uses in its business as presently conducted is owned by Company or is properly licensed.

Section 2.22 Stock Option Plans; Employee Benefits. Company does not have any employee benefit plans or arrangements covering their present and former employees or providing benefits to such persons in respect of services provided to Company. Company has no commitment, whether formal or informal and whether legally binding or not, to create any additional plan, arrangement, or practice similar to the Approved Plans.

Section 2.23 Employee Matters.

(a) To the knowledge of Company, no former or current employee of Company is a party to, or is otherwise bound by, any agreement or arrangement (including, without limitation, any confidentiality, non-competition, or proprietary rights agreement) that in any way adversely affected, affects, or will affect (i) the performance of his, her, or its duties to Company, or (ii) the ability of Company to conduct its business.

(b) Except as otherwise set forth in the Company Disclosure Schedule, Company has no employees, directors, officers, consultants, independent contractors, representatives, or agents whose contract of employment or engagement cannot be terminated by three months' notice.

(c) Except as otherwise set forth in the Company Disclosure Schedule, Company is not required or obligated to pay any money to or for the benefit of, any director, officer, employee, consultant, independent contractor, representative, or agent of Company.

(d) Company is in compliance with all applicable Laws respecting employment and employment practices, terms and conditions, or employment wages and hours, and is not engaged in any unfair labor practice. There is no labor strike, dispute, shutdown, or stoppage actually pending or, to the knowledge of Company threatened against or affecting Company.

Section 2.24 Environmental and Safety Matters. Except as would not have a Material Adverse Effect:

(a) To the knowledge of Company, Company has at all times been and is in compliance with all Environmental Laws and Orders applicable to Company, as applicable.

(b) There are no Proceedings pending or, to the knowledge of Company, threatened against Company alleging the violation of any Environmental Law or Environmental Permit applicable to Company or alleging that Company is a potentially responsible party for any environmental site contamination. The Company has not ever received notice, nor is the Company aware, of any past, present, or future events, conditions, circumstances, activities, practices, incidents, actions, or plans which may interfere with or prevent continued compliance, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, suit, proceeding, hearing, or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge, release or threatened release into the environment, of any pollutant, contaminant, or hazardous or toxic material or waste.

(c) Neither this Agreement nor the consummation of the Transactions contemplated by this Agreement shall impose any obligations to notify or obtain the consent of any Governmental Body or third-Persons under any Environmental Laws applicable to Company.

Section 2.25 Inventories. All inventories of Company are of good, usable, and merchantable quality in all material respects, and, except as set forth in the Company Disclosure Schedule, do not include a material amount of obsolete or discontinued items. Except as set forth in the Company Disclosure Schedule, (a) all such inventories are of such quality as to meet in all material respects the quality control standards of Company, (b) all such inventories are recorded on the books at the lower of cost or market value determined in accordance with the accounting practices followed by Company, consistently applied, and (c) no write-down in inventory has been made or should have been made pursuant during the past two years.

Section 2.26 Money Laundering Laws. Other than as may arise based on Cannabis continuing to be categorized as a Schedule 1 controlled substance, the operations of Company are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the money laundering statutes of all U.S. and non-U.S. jurisdictions, the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered, or enforced by any Governmental Body (collectively, the "**Money Laundering Laws**") and no Proceeding involving Company with respect to the Money Laundering Laws is pending or, to the knowledge of Company, threatened.

Section 2.27 Disclosure.

(a) No statement, representation, or warranty of Company in this Agreement (as qualified by the Company Disclosure Schedule) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein, taken as a whole, in light of the circumstances in which they were made, not misleading.

(b) Except as set forth in the Company Disclosure Schedule and as previously set forth in this Agreement, Company has no knowledge of any fact that has specific application to Company (other than general economic, political, legal or industry conditions) and that would be expected to have a Material Adverse Effect.

(c) In the event of any inconsistency between the statements in the body of this Agreement and those in the Company Disclosure Schedule (other than an exception expressly set forth as such in the Company Disclosure Schedule with respect to a specifically identified representation or warranty), the statements in the Company Disclosure Schedule shall control.

(d) True and complete copies of the books of account, minute books, and stock record books of Company have been made available to Terra Tech. Without limiting the generality of the foregoing, the minute books of Company contain complete and accurate records of all meetings of the board of directors (and any committees thereof) and shareholders of Company taken, and any actions by written consent thereof.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF TERRA TECH AND THE MERGER SUB

Terra Tech and the Merger Sub, jointly and severally, hereby represent and warrant to Company and the Company Shareholders as of the Signing Date:

Section 3.1 Organization; Good Standing.

(a) Terra Tech is a corporation duly incorporated, validly and in good standing existing under the laws of Nevada, has all requisite authority and power (corporate and other), governmental licenses, authorizations, consents, and approvals to carry on its business as presently conducted and as contemplated to be conducted, to own, hold, and operate its properties and assets as now owned, held, and operated by it, to enter into this Agreement, and to carry out the provisions hereof, except where the failure to be in good standing or to have such governmental licenses, authorizations, consents, and approvals will not, in the aggregate, either (i) have a Material Adverse Effect on Terra Tech, or (ii) impair the ability of Terra Tech to perform its material obligations under this Agreement. Terra Tech is duly qualified, licensed, or domesticated as a foreign corporation in good standing in each jurisdiction wherein the nature of its activities or its properties owned or leased requires such qualification, licensing, or domestication, except where the failure to be so qualified, licensed, or domesticated will not have a Material Adverse Effect. Unless the context otherwise requires, all references in this Article 3 to "Terra Tech" shall be treated as being a reference to Terra Tech and the Merger Sub taken together as one enterprise.

(b) The Merger Sub is a corporation duly incorporated and existing in good standing under the laws of the State of California, has all requisite authority and power (corporate and other), governmental licenses, authorizations, consents, and approvals to enter into this Agreement and to carry out the provisions hereof, except where the failure to be in good standing, or to have such governmental licenses, authorizations, consents, and approvals will not, in the aggregate, impair the ability of the Merger Sub to perform its material obligations under this Agreement. The Merger Sub was formed specifically for the purpose of the Merger and has not conducted any business or acquired any property, and will not conduct any business or acquire any property prior to the Closing Date, except in preparation for and otherwise in connection with the Transactions contemplated by this Agreement and the Transaction Agreements.

Section 3.2 Terra Tech Common Stock. As of the date hereof, the authorized capital of Terra Tech consists of 350,000,000 shares of Common Stock, par value $0.001 per share, and 25,000,000 shares of "blank check" preferred stock, $0.001 par value, of which 100 shares have been designated as "Series A Preferred Stock", par value $0.001 per share, and 24,999,900 shares have been designated as "Series B Preferred Stock," par value $0.001 per share. As of the date hereof, there are 299,091,226 shares of Terra Tech Common Stock issued and outstanding, 100 shares of Series A Preferred Stock issued and outstanding, convertible at any time into 100 shares of Terra Tech Common Stock, 16,300,000 shares of Series B Preferred Stock issued and outstanding, convertible into 87,763,363 shares of Terra Tech Common Stock, and 32,426,008 shares of Terra Tech Common Stock issuable upon exercise of all of Terra Tech's outstanding warrants. Except as described in the Terra Tech SEC Reports (as defined below) or as is otherwise not material, and except for the Payment Securities to be issued under this Agreement, there are no outstanding shares of capital stock or options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from Terra Tech any shares of Terra Tech capital stock. The Payment Securities, when issued in connection with this Agreement and the other Transaction Agreements, will be duly authorized, validly issued, fully paid, and nonassessable. Prior to the Closing Date, Terra Tech will issue no additional securities.

Section 3.3 The Merger Sub Common Stock. The authorized capital stock of the Merger Sub consists of 100,000 shares of common stock (the "**Merger Sub Common Stock**"), of which 100,000 shares of the Merger Sub Common Stock are issued and outstanding. All of the outstanding Merger Sub Common Stock is owned by Terra Tech. All outstanding shares of the Merger Sub Common Stock are validly issued and outstanding, fully paid and non-assessable, and none of such shares of the Merger Sub Common Stock have been issued in violation of the preemptive rights of any Person. The Merger Sub has no outstanding options, rights, or commitments to issue any Equity Securities, and there are no outstanding securities convertible or exercisable into or exchangeable for Equity Securities of the Merger Sub.

Section 3.4 Authority; Binding Nature of Agreements.

(a) The execution, delivery, and performance of this Agreement, the Transaction Agreements, and all other agreements and instruments contemplated to be executed and delivered by Terra Tech and the Merger Sub in connection herewith have been duly authorized by all necessary corporate action on the part of Terra Tech and its board of directors in the case of Terra Tech, and the Merger Sub and its board of directors in the case of the Merger Sub.

(b) This Agreement, the Transaction Agreements, and all other agreements and instruments contemplated to be executed and delivered by Terra Tech and the Merger Sub constitute the legal, valid, and binding obligation of each of Terra Tech and the Merger Sub, enforceable against each of Terra Tech and the Merger Sub in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, or other laws affecting the enforcement of creditors' rights generally and by general principles of equity regardless of whether such enforceability is considered in a proceeding in law or equity.

(c) There is no pending Proceeding, and, to Terra Tech's knowledge, no Person has threatened to commence any Proceeding that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, the Transactions or either of Terra Tech's or the Merger Sub's ability to comply with or perform its obligations and covenants under the Transaction Agreements, and, to the knowledge of Terra Tech, no event has occurred, and no claim, dispute, or other condition or circumstance exists, that might directly or indirectly give rise to or serve as a basis for the commencement of any such Proceeding.

Section 3.5 Consents; Non-contravention. Except for Consents, filings, or notices required under the state and federal securities Laws or any other Laws or regulations or as otherwise contemplated in this Agreement and the other Transaction Agreements, Terra Tech and the Merger Sub will not be required to make any filing with or give any notice to, or obtain any Consent from, any Person in connection with the execution and delivery of this Agreement and the other Transaction Agreements or the consummation or performance of the Transactions. The execution and delivery of this Agreement and the other Transaction Agreements, and the consummation of the Transactions, by Terra Tech and the Merger Sub will not, directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with, or result in a violation of (i) Terra Tech's Articles of Incorporation or Bylaws, (ii) any resolution adopted by Terra Tech's board of directors or any committee thereof or the stockholders of Terra Tech, (iii) the Merger Sub's Articles of Incorporation or Bylaws, or (iv) any resolution adopted by the Merger Sub's board of directors or any committee thereof;

(b) contravene, conflict with or result in a material violation of, or give any Governmental Body the right to challenge the Transactions or to exercise any remedy or obtain any relief under, any legal requirement or any Order to which Terra Tech or any material assets owned or used by it are subject;

(c) to the knowledge of Terra Tech, cause any material assets owned or used by Terra Tech to be reassessed or revalued by any taxing authority or other Governmental Body;

(d) contravene, conflict with or result in a material violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by Terra Tech or that otherwise relates to Terra Tech's business or to any of the material assets owned or used by Terra Tech, where such contraventions, conflict, violation, revocation, withdrawal, suspension, cancellation, termination, or modification would have a Material Adverse Effect on Terra Tech;

(e) contravene, conflict with, or result in a material violation or material breach of, or material default under, any Material Contract to which Terra Tech is a party;

(f) give any Person the right to any payment by Terra Tech or give rise to any acceleration or change in the award, grant, vesting, or determination of options, warrants, rights, severance payments, or other contingent obligations of any nature whatsoever of Terra Tech in favor of any Person, in any such case as a result of the Transactions; or

(g) result in the imposition or creation of any material Lien upon or with respect to any material asset owned or used by Terra Tech.

Section 3.6 Finders and Brokers.

(a) Neither Terra Tech nor any Person acting on behalf of Terra Tech has engaged any finder, broker, intermediary, or any similar Person in connection with the Transactions.

(b) Terra Tech has not entered into a contract or other agreement that provides that a fee shall be paid to any Person or Entity if the Transactions are consummated.

Section 3.7 Reports and Financial Statements; Absence of Certain Changes.

(a) Terra Tech has filed all reports required to be filed with the SEC pursuant to the Exchange Act since June 11, 2010 (all such reports, including those to be filed prior to the Closing Date and all registration statements and prospectuses filed by Terra Tech with the SEC, are collectively referred to as the "**Terra Tech SEC Reports**"). All of the Terra Tech SEC Reports, as of their respective dates of filing (or if amended or superseded by a filing prior to the Signing Date, then on the date of such filing): (i) complied in all material respects as to form with the applicable requirements of the Securities Act or Exchange Act and the rules and regulations thereunder, as the case may be, and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited financial statements of Terra Tech included in the Terra Tech SEC Reports comply in all material respects with the published rules and regulations of the SEC with respect thereto, and such audited financial statements (i) were prepared from the books and records of Terra Tech, (ii) were prepared in accordance with GAAP applied on a consistent basis (except as may be indicated therein or in the notes or schedules thereto) and (iii) present fairly the financial position of Terra Tech as of the dates thereof and the results of operations and cash flows for the periods then ended. The unaudited financial statements included in the Terra Tech SEC Reports comply in all material respects with the published rules and regulations of the SEC with respect thereto; and such unaudited financial statements (i) were prepared from the books and records of Terra Tech, (ii) were prepared in accordance with GAAP, except as otherwise permitted under the Exchange Act and the rules and regulations thereunder, on a consistent basis (except as may be indicated therein or in the notes or schedules thereto) and (iii) present fairly the financial position of Terra Tech as of the dates thereof and the results of operations and cash flows (or changes in financial condition) for the periods then ended, subject to normal year-end adjustments and any other adjustments described therein or in the notes or schedules thereto.

(b) Except as specifically contemplated by this Agreement or reflected in the Terra Tech SEC Reports, since June 11, 2010, there has not been (i) any material adverse change in Terra Tech's business, assets, liabilities, or operations, and, to the knowledge of Terra Tech, no event has occurred that is likely to have a Material Adverse Effect on Terra Tech's business, assets, liabilities, or operations, (ii) any declarations setting aside or payment of any dividend or distribution with respect to the Terra Tech Common Stock other than consistent with past practices, (iii) any material change in Terra Tech's accounting principles, procedures, or methods, (iv) cancellation in writing of any material customer contract, or (v) the loss of any customer relationship which would have a material adverse effect on Terra Tech's business, assets, liabilities, or operations.

Section 3.8 Compliance with Applicable Law. Except as disclosed in the Terra Tech SEC Reports filed prior to the Signing Date and except to the extent that the failure or violation would not in the aggregate have a Material Adverse Effect on the business, results of operations, or financial condition of Terra Tech, to Terra Tech's knowledge, Terra Tech holds all Governmental Authorizations necessary for the lawful conduct of its business under and pursuant to, and the business of Terra Tech is not being conducted in violation of, any Governmental Authorization applicable to Terra Tech.

Section 3.9 Complete Copies of Requested Reports. Terra Tech and the Merger Sub has delivered or made available true and complete copies of each document that has been reasonably requested by Company.

Section 3.10 Full Disclosure. Neither this Agreement nor, to the knowledge of Terra Tech, Terra Tech's Annual Report on Form 10-K filed with the SEC on March 27, 2015, or any of the Terra Tech SEC Reports filed with the SEC thereafter, contains any untrue statement of material fact; and none of such documents omits to state any material fact necessary to make any of the representations, warranties, or other statements or information contained herein or therein not misleading.

ARTICLE 4
COVENANTS OF COMPANY

Section 4.1 Access and Investigation. Company shall ensure that, at all times during the Pre-Closing Period:

(a) Company and their Representatives provide Terra Tech, the Merger Sub, and their Representatives access, at reasonable times and with forty-eight (48) hours' notice from Terra Tech and/or the Merger Sub to Company, to all of the premises and assets of Company, to all existing books, records, Tax Returns, work papers, and other documents and information relating to Company, and to responsible officers and employees of Company, and Company and its Representatives provide Terra Tech and its Representatives with copies of such existing books, records, Tax Returns, work papers, and other documents and information relating to Company as Terra Tech and/or the Merger Sub may request in good faith; and

(b) Each of Company and its Representatives confer regularly with Terra Tech and the Merger Sub upon their request, concerning operational matters and otherwise report regularly (not less than semi-monthly and as Terra Tech and the Merger Sub may otherwise request) to Terra Tech and the Merger Sub and discuss with Terra Tech, the Merger Sub, and their Representatives concerning the status of the business, condition, assets, liabilities, operations, and financial performance of Company, and promptly notify Terra Tech and the Merger Sub of any material change in the business, condition, assets, liabilities, operations, and financial performance of Company, or any event reasonably likely to lead to any such change.

Section 4.2 Operation of the Business. Company shall ensure that, during the Pre-Closing Period, except (i) as otherwise set forth in this Agreement (including any conditions to Closing herein), or (ii) with the prior written consent of Terra Tech, which consent shall not be unreasonably withheld, conditioned, or delayed:

(a) Except as otherwise set forth in the Company Disclosure Schedule, it conducts its operations in the Ordinary Course of Business and in substantially the same manner as such operations have been conducted prior to the Signing Date;

(b) It uses its commercially reasonable efforts to preserve intact its current business organization, keep available and not terminate the services of its current officers and employees and maintain its relations and goodwill with all suppliers, customers, landlords, creditors, licensors, licensees, employees, and other Persons having business relationships with Company;

(c) It does not declare, accrue, set aside, or pay any dividend or make any other distribution in respect of any shares of its capital stock, and does

not repurchase, redeem, or otherwise reacquire any shares of its capital stock or other securities, except with respect to the repurchase of the shares of Company Common Stock upon termination of employees at the original purchase price pursuant to agreements existing as of the Signing Date;

(d) Except as set forth in the Disclosure Schedule, it does not sell or otherwise issue (or grant any warrants, options, or other rights to purchase) any shares of capital stock or any other securities, except the issuance of shares Company Common Stock pursuant to options outstanding on the date of this Agreement;

(e) It does not amend its charter document, corporate governance document or other Organizational Documents, and does not affect or become a party to any recapitalization, reclassification of shares, stock split, reverse stock split, or similar transaction, other than as necessary to enable the transactions contemplated under this Agreement;

(f) It does not form any subsidiary or acquire any equity interest or other interest in any other Entity;

(g) Except as set forth in the Disclosure Schedule, it does not establish or adopt any employee benefit plan, and does not pay any bonus or make any profit sharing or similar payment to, or increase the amount of the wages, salary, commissions, fringe benefits, or other compensation or remuneration payable to, any of its directors, officers, or employees;

(h) It does not change any of its methods of accounting or accounting practices in any respect, other than as necessary to enable the transactions contemplated under this Agreement;

(i) It does not make any Tax election;

(j) It does not commence or take any action or fail to take any action which would result in the commencement of any Proceeding;

(k) It does not (i) acquire, dispose of, transfer, lease, license, mortgage, pledge, or encumber any fixed or other assets, other than in the Ordinary Course of Business; (ii) incur, assume or prepay any Indebtedness or obligation or any other liabilities or issue any debt securities, other than in the Ordinary Course of Business; (iii) assume, guarantee, endorse for the obligations of any other person, other than in the Ordinary Course of Business; (iv) make any loans, advances or capital contributions to, or investments in, any other Person, other than in the Ordinary Course of Business; or (v) fail to maintain insurance consistent with past practices for its business and property;

(l) It pays all debts and Taxes, files all of its Tax Returns (as provided herein) and pays or performs all other obligations, when due;

(m) Except as otherwise set forth in the Company Disclosure Schedule, it does not enter into or amend any agreements pursuant to which any other Person is granted distribution, marketing or other rights of any type or scope with respect to any of its services, products or technology;

(n) It does not hire any new officer-level employee;

(o) It does not revalue any of its assets, including, without limitation, writing down the value of inventory or writing off notes or accounts receivable except in the Ordinary Course of Business;

(p) Except as otherwise contemplated hereunder, it does not enter into any transaction or take any other action outside the Ordinary Course of Business; and

(q) It does not enter into any transaction or take any other action that likely would cause or constitute a Breach of any representation or warranty made by it in this Agreement.

Section 4.3 Filings and Consents; Cooperation. During the Pre-Closing Period, Company shall use commercially reasonable efforts to ensure that:

(a) Each filing or notice required to be made or given (pursuant to any applicable Law, Order or contract, or otherwise) by Company in connection with the execution and delivery of any of the Transaction Agreements, or in connection with the consummation or performance of the Transactions, is made or given as soon as possible after the Signing Date;

(b) Each Consent set forth on Schedule 4.3(b) that is required to be obtained (pursuant to any applicable Law, Order or contract, or otherwise) by Company in connection with the execution and delivery of any of the Transaction Agreements, or in connection with the consummation or performance of the Transactions, is obtained as soon as possible after the Signing Date and remains in full force and effect through the Closing Date;

(c) It promptly delivers to Terra Tech a copy of each filing made, each notice given and each Consent obtained by Company during the Pre-Closing Period; and

(d) It and its Representatives cooperate with Terra Tech, the Merger Sub, and their Representatives, and prepare and make available such documents and take such other actions as Terra Tech may reasonably request in good faith, in connection with any filing, notice, or Consent that Terra Tech or the Merger Sub is required or elects to make, give, or obtain.

Section 4.4 Certain Notices. During the Pre Closing Period, Company shall promptly notify Terra Tech in writing of the discovery by it of any event, condition, fact, or circumstance that, to its knowledge, occurred after the Signing Date but prior to the Closing Date, which results in any of its representations and warranties set forth in this Agreement (as qualified by the Company Disclosure Schedule) to become untrue in any material respect, or otherwise causes any of the conditions of Closing set forth in Article VII or Article VIII not to be satisfied; provided, that such notice shall be considered timely if it is given within 10 days after the Company's executive officers or directors come to know of the existence of such event, condition, fact or circumstance; provided, further that any indemnification obligation arising out of the Breach or alleged Breach of this Section 4.4 shall be computed without duplication with, and subject to the limits and survival periods applicable to, the underlying representation or warranty giving rise to such Breach or alleged Breach set forth in Article 6.

Section 4.5 Commercially Reasonable Efforts. During the Pre-Closing Period, Company shall use its commercially reasonable efforts to cause the conditions set forth in Article 7 and Article 8 to be satisfied on a timely basis, it being understood that Company and Terra Tech desire to complete the

Merger prior to the Outside Date, and shall not take any action or omit to take any action, the taking or omission of which would reasonably be expected to result in a Material Adverse Effect, or any of the conditions of Closing set forth in Article 7 and Article 8 not being satisfied.

Section 4.6 Confidentiality; Publicity. Company shall ensure that:

(a) it and its Representatives keep strictly confidential the terms of this Agreement prior to the issuance or dissemination of any mutually agreed

upon press release or other disclosure of the Transactions; and

(b) neither it nor any of its Representatives issues or disseminates any press release or other publicity regarding any of the Transactions; except in each case to the extent that it is required by Law to make any such disclosure regarding such Transactions or as separately agreed by the parties; provided, however, that if it is required by Law to make any such disclosure, Company shall advise Terra Tech and the Merger Sub, at least five business days before making such disclosure, of the nature and content of the intended disclosure.

Section 4.7 Financial Statements. During the Pre-Closing Period, Company will use commercially reasonable efforts to assist Terra Tech in preparing financial statements for the Company (and related records), prior to the Commitment Date, that are reasonably capable of being audited under GAAP within 75 days following the Commitment Date.

ARTICLE 5
COVENANTS OF TERRA TECH AND THE MERGER SUB

Section 5.1 Filings and Consents; Cooperation. Each of Terra Tech and the Merger Sub shall use commercially reasonable efforts to ensure that, during the Pre-Closing Period:

(a) Each filing or notice required to be made or given (pursuant to any applicable Law, Order or contract, or otherwise) by Terra Tech or the Merger Sub, as applicable, in connection with the execution and delivery of any of the Transaction Agreements, or in connection with the consummation or performance of the Transactions, is made or given as soon as possible after the Signing Date;

(b) Each Consent required to be obtained (pursuant to any applicable Law, Order or contract, or otherwise) by Terra Tech or the Merger Sub, as applicable, in connection with the execution and delivery of any of the Transaction Agreements, or in connection with the consummation or performance of the Transactions, is obtained as soon as possible after the Signing Date and remains in full force and effect through the Closing Date;

(c) Terra Tech and/or the Merger Sub, as applicable, promptly delivers to Company a copy of each filing made, each notice given, and each Consent obtained by Terra Tech and/or the Merger Sub, as applicable, during the Pre-Closing Period; and

(d) Terra Tech, the Merger Sub, and their Representatives cooperate with Company and its Representatives, and prepare and make available such documents and take such other actions as Company may request in good faith, in connection with any filing, notice, or Consent that Company is required or elects to make, give, or obtain.

Section 5.2 Commercially Reasonable Efforts. During the Pre-Closing Period, each of Terra Tech and the Merger Sub shall use its commercially reasonable efforts to cause the conditions set forth in Article 7 and Article 8 to be satisfied on a timely basis so that the Closing can take place on or before the Outside Date, or as soon thereafter as is reasonably practical, in accordance with Section 1.6, and shall not take any action or omit to take any action, the taking or omission of which would or could reasonably be expected to result in any of the representations and warranties of Terra Tech or the Merger Sub, as applicable, set forth in this Agreement becoming untrue or any of the conditions of Closing set forth in Article 7 or Article 8 not being satisfied.

Section 5.3 Disclosure of Confidential Information. Each of Terra Tech and the Merger Sub acknowledges and agrees that it may receive Confidential Information of Company and Shareholders as a Receiving Party in connection with the Transactions, including, without limitation, the Company Disclosure Schedule and any information disclosed during its due diligence process, the public disclosure of which will harm the Disclosing Party's business. With respect to Terra Tech and/or Merger Sub's receipt of such Confidential Information:

(a) The Receiving Party may use Confidential Information only in connection with the Transactions. The results of Terra Tech's due diligence review of Company may not be used for any other purpose other than in connection with the Transactions. Except as expressly provided in this Agreement, the Receiving Party shall not disclose Confidential Information to anyone without the Disclosing Party's prior written consent. The Receiving Party shall take all reasonable measures to avoid disclosure, dissemination, or unauthorized use of Confidential Information, including, at a minimum, those measures it takes to protect its own Confidential Information of a similar nature. The Receiving Party shall not export any Confidential Information in any manner contrary to the export regulations of the Governmental Body to which it is subject.

(b) The Receiving Party may disclose Confidential Information as required to comply with binding orders of governmental entities that have jurisdiction over it, provided that the Receiving Party (i) gives the Disclosing Party reasonable notice (to the extent permitted by Law) to allow the Disclosing Party to seek a protective Order or other appropriate remedy, (ii) discloses only such information as is required by any Governmental Body, and (iii) uses commercially reasonable efforts to obtain confidential treatment for any Confidential Information so disclosed.

(c) All Confidential Information shall remain the exclusive property of the Disclosing Party. The Disclosing Party's disclosure of Confidential Information shall not constitute an express or implied grant to the Receiving Party of any rights to or under the Disclosing Party's patents, copyrights, trade secrets, trademarks, or other Intellectual Property rights.

(d) The Receiving Party shall notify the Disclosing Party immediately upon discovery of any unauthorized use or disclosure of Confidential Information or any other breach of this Agreement by the Receiving Party. The Receiving Party shall cooperate with the Disclosing Party in every reasonable way to help the Disclosing Party regain possession of such Confidential Information and prevent its further unauthorized use.

(e) The Receiving Party shall return or destroy all tangible materials embodying Confidential Information (in any form and including, without limitation, all summaries, copies, and excerpts of Confidential Information) promptly following the Disclosing Party's written request; provided, however, that, subject to the provisions of this Agreement, the Receiving Party may retain one copy of such materials in the confidential, restricted access files of its legal department for use only in the event a dispute arises between the parties related to the Transactions and only in connection with that dispute. At the Disclosing Party's option, the Receiving Party shall provide written certification of its compliance with this Section.

Section 5.4 Oakland Permit. In the event that at any time during the four (4)-year period following the Closing Date, (a) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt, or receivership law or statute is filed by Terra Tech or the Surviving Corporation, (b) Terra Tech or the Surviving Corporation makes an assignment for the benefit of creditors or takes any action to authorize any of the foregoing, (c) in the case of an involuntary proceeding filed against Terra Tech or the Surviving Corporation, such proceeding is not discharged or dismissed within 60 days, (d) Terra Tech voluntarily or involuntarily dissolves or Terra Tech is dissolved or becomes insolvent or fails generally to pay its debts as they become due, or (e) the City of Oakland, the State of California, or any other Governmental Body makes a final determination that Terra Tech or the Surviving Corporation is not permitted to operate Blum Oakland due to Terra Tech's corporate status, then Terra Tech will, and will cause its Affiliates, employees, agents, and representatives to, use their respective best efforts to cause and/or to facilitate the transfer of all Permits held by Terra Tech or Surviving Corporation pertaining to Blum Oakland to the Shareholder Representative for the benefit of all Company Shareholders.

Section 5.5 Financial Statements. During the Pre-Closing Period, Terra Tech will use commercially reasonable efforts to prepare financial statements for the Company (and related records), prior to the Commitment Date, that are reasonably capable of being audited under GAAP within 75 days following the Commitment Date.

Section 5.6 Certificates of Designation. As soon as practicable following the Signing Date, but no later than January 15, 2016, Terra Tech shall file (a) the Certificate of Designation for its Series Q Preferred Stock in the form attached hereto as Exhibit E-1, (b) the amendment to Terra Tech's existing Certificate of Designation with respect to its Series B Preferred Stock in the form attached hereto as Exhibit E-2, and (c) the Certificate of Designation for its Series Z Preferred Stock in the form attached hereto as Exhibit E-3 (collectively, the "Certificates of Designation") with the Secretary of State of Nevada and take all corporate and other actions as are reasonably necessary to duly authorize the issuance of the Payment Securities hereunder, and, as soon as is reasonably practicable thereafter, the shares of Series B Preferred Stock and Common Stock issuable upon the conversion thereof.

ARTICLE 6
INDEMNIFICATION

Section 6.1 Indemnification by the Company Shareholders.

(a) Subject to the terms and conditions of this Article 6, the Company Shareholders shall, severally (in accordance with their respective Pro Rata Shares) and not jointly, defend, indemnify, and hold harmless Terra Tech, the Merger Sub, and their respective employees, officers, directors, stockholders, controlling persons, affiliates, agents, successors, and assigns (collectively, the "**Terra Tech Indemnified Parties**"), and shall reimburse the applicable Terra Tech Indemnified Party, for, from, and against any loss (excluding lost profits or diminution in value), liability, claim, damage, or expense (including out-of-pocket costs of investigation and defense and reasonable attorneys' fees), whether or not involving a third-party claim (collectively, "**Damages**"), relating to, resulting from or arising out of:

(i) the failure of any representation or warranty of the Company contained in Article 2 of this Agreement to be true and correct as of the Signing Date and as of the Closing Date as if made on the Closing Date, except to the extent that any such representation or warranty relates to a specific date, in which case the failure of such representation or warranty to be true and correct as of such date; and

(ii) the breach by the Company of any of its covenants or agreements contained in this Agreement to be performed prior to the Closing.

(b) Any claims of any Terra Tech Indemnified Party made under this Article 6 will be limited as follows:

(i) Notwithstanding any other provision of this Agreement to the contrary, the Company Shareholders shall not be required to indemnify or hold harmless any Terra Tech Indemnified Party against, or reimburse any Terra Tech Indemnified Party for, any Damages pursuant to Section 6.1(a) unless and until the aggregate amount of all such Damages suffered or incurred by the Terra Tech Indemnified Parties subject to indemnification pursuant to Section 6.1(a) exceeds $50,000, after which the Company Shareholders shall be obligated for all Damages of the Terra Tech Indemnified Parties from the first dollar.

(ii) The Holdback Shares shall be held as the Terra Tech Indemnified Parties' sole security for the indemnification obligations of the Company Shareholders under Section 6.1(a). Except in the case of any indemnification claim arising out of any fraudulent, intentional or willful breach of any representation, warranty, covenant or agreement of Company in this Agreement, notwithstanding any other provision of this

Agreement to the contrary, recovery of Holdback Shares (either before or after their release from the Escrow Fund) shall be the Terra Tech Indemnified Parties' sole and exclusive recourse against the Company Shareholders in respect of the Company Shareholders' indemnification obligations under Section 6.1(a) or any breach of this Agreement; provided that in lieu of return of Holdback Shares (either before or after their release from the Escrow Fund), each Company Shareholder may, in its sole discretion, satisfy any indemnification obligation hereunder in cash rather than by surrender of Holdback Shares under this Article 6.

(iii) Notwithstanding any other provision of this Agreement, Company Shareholders shall not be required to indemnify or hold harmless any Terra Tech Indemnified Party against, or reimburse any Terra Tech Indemnified Party for, any Damages arising out of or related to a breach of Section 2.13(e) in excess of $750,000 in the aggregate.

(iv) Notwithstanding any other provision of this Agreement to the contrary, no Company Shareholder shall be required to indemnify or hold harmless any Terra Tech Indemnified Party against, or reimburse any Terra Tech Indemnified Party for, any Damages arising out of any

fraudulent, intentional or willful breach of any representation, warranty, covenant or agreement of the Company in this Agreement in excess of such Company Shareholder's Pro Rata Share of the total value of the Payment Securities actually issued to Company Shareholders hereunder (valued at the Terra Tech Closing Price after any adjustments pursuant to Section 1.6).

(v) Notwithstanding anything to the contrary set forth in this Agreement, the "Damages" for which the Terra Tech Indemnified Parties are entitled to indemnification hereunder shall expressly exclude, and the Terra Tech Indemnified Parties shall not be entitled to recover, any punitive damages, except to the extent such punitive damages are payable by any Terra Tech Indemnified Party as a result of a third-party claim.

(vi) Notwithstanding anything to the contrary set forth in this Agreement, except with respect to a breach ofSection 2.13(e), Company Shareholders shall not have any liability for any breach of or inaccuracy in any representation or warranty made by Company herein to the extent that Terra Tech or any of its Representatives (i) had knowledge at or before the Signing Date of the facts as a result of which such representation or warranty was breached or inaccurate or (ii) was provided access to, at or before the Signing Date, a document disclosing such facts.

Section 6.2 Exclusive Remedy. From and after the Effective Time, except in the case of fraud, the indemnification provisions set forth in this Article 6 shall be the Terra Tech Indemnified Parties' sole and exclusive remedy for all Damages arising out of this Agreement and the transactions contemplated hereby, and Terra Tech hereby waives, for and on behalf of all of the Terra Tech Indemnified Parties, any and all other remedies, whether at law or in equity, that are otherwise available to such Persons, or any of them, arising out of this Agreement and the transactions contemplated hereby, provided, however, that, notwithstanding the foregoing, nothing in this Agreement shall eliminate the ability of any Party hereto to apply for equitable remedies to enforce the other Party's or Parties' obligations under this Agreement.

Section 6.3 Claim Process.

(a) Subject to the terms of this Agreement, no Terra Tech Indemnified Party shall be entitled to recover any Damages pursuant to the indemnification obligations set forth in Section 6.1 hereof unless and until the Shareholder Representative receives a written notice (a "**Notice of Claim**") of a claim for indemnification hereunder (an "**Indemnification Claim**") (with a copy to the Escrow Agent) stating, to the then-current knowledge of Terra Tech, (i) that a Terra Tech Indemnified Party has actually suffered or incurred Damages for which such Terra Tech Indemnified Party believes in good faith that it may be entitled to indemnification under Section 6.1, or believes in good faith that a Terra Tech Indemnified Party could suffer or incur Damages for which such Terra Tech Indemnified Party believes in good faith that it may be entitled to indemnification under Section 6.1, (ii) to the extent then known by the Terra Tech Indemnified Party, a brief description, in reasonable detail, of the facts, circumstances or events giving rise to the Indemnification Claim (and the Damages, to the extent known, forming the basis of such Indemnification Claim), including to the extent then known by the Terra Tech Indemnified Party the identity and address of any third-party claimant and copies of any formal demand or complaint, and (iii) the representation, warranty or covenant of this Agreement that may form the basis of such Indemnification Claim under Section 6.1. To be valid pursuant to this Section 6.3, a Notice of Claim relating to an Indemnification Claim under Section 6.1 must be received by the Shareholder Representative not later than thirty (30) days after the expiration of the representation or warranty forming the basis of such claim, and any delivery or attempted delivery of a Notice of Claim thereafter shall be void and of no force or effect.

(b) After receipt of a Notice of Claim, the Shareholder Representative shall have thirty (30) Business Days following her receipt of the Notice of Claim in which to deliver notice of objection to such claim to the Terra Tech Indemnified Party and the Escrow Agent. If no objection notice is given within such 30-Business Day period, then the Indemnification Claim set forth in the related Notice of Claim shall be deemed to be valid and indemnifiable pursuant hereto, whereupon the Escrow Agent shall deliver to such Terra Tech Indemnified Parties (as allocated from the Holdback Shares

then remaining in the Escrow Account) Escrow Shares equal in value to the amount of the Indemnification Claim set forth in the Resolved Claim Notice. In the event that the Shareholder Representative shall deliver written objection to any Indemnification Claim set forth in a Notice of Claim within the foregoing 30-Business Day period, then no Terra Tech Indemnified Party shall be entitled to any indemnification payment and release of Holdback Shares in respect thereof unless and until such Indemnification Claim is finally resolved by mutual agreement, court order or settlement. In the event that a Terra Tech Indemnified Party and the Shareholder Representative shall mutually agree to resolve a disputed Indemnification Claim in favor of the Terra Tech Indemnified Parties (or any of them), then the applicable Terra Tech Indemnified Parties and the Shareholder Representative shall provide joint written notice (the "**Resolved Claim Notice**") of such offset to the Escrow Agent, whereupon the Escrow Agent shall deliver to such Terra Tech Indemnified Parties (as allocated from the Holdback Shares then remaining in the Escrow Account, Holdback Shares equal in value to the amount of the Indemnification Claim set forth in the Resolved Claim Notice. In the event that a disputed Indemnification Claim shall be resolved by final, non-appealable court order in favor of the Terra Tech Indemnified Parties (or any of them), then the Terra Tech Indemnified Party shall be permitted unilaterally to deliver a Resolved Claim Notice (a "**Unilateral Resolved Claim Notice**") to the Escrow Agent (with a copy of the court order related thereto), whereupon the Escrow Agent shall deliver to such Terra Tech Indemnified Parties (as allocated from the Holdback Shares then remaining in the Escrow Account) Escrow Shares equal in value to the amount of the Indemnification Claim set forth in the Unilateral Resolved Claim Notice.

(c) If Holdback Shares have been distributed to Company Shareholders following the Escrow Release Date and the Company Shareholders are required to provide indemnification pursuant to this Article 6, then each Company Shareholder shall, at the option of Terra Tech, either (i) surrender to the applicable Terra Tech Indemnified Party its Pro Rata Share of that number of Holdback Shares equal in value to the amount of a finally resolved Indemnification Claim in accordance with Section 6.3(b), or (ii) satisfy the indemnification obligation in cash, but only if the distributed Holdback Shares are then capable of being sold into the public market for cash without restriction.

(d) In the event Terra Tech and the Shareholder Representative shall have instructed the Escrow Agent to deliver any Holdback Shares to a Terra Tech Indemnified Party pursuant to this Section 6.3, such Holdback Shares shall be allocated by the Escrow Agent among the Holdback Shares of the Company Shareholders in proportion to their respective Pro Rata Shares.

(e) Notwithstanding the foregoing, in lieu of return of Holdback Shares (either before or after their release from the Escrow Fund), each Company Shareholder may, in his or her sole discretion, satisfy any indemnification obligation hereunder in cash rather than by surrender of Holdback Shares under this Article 6.

(f) In determining the number of Holdback Shares or other Payment Securities "equal in value to the amount of the Indemnification Claim" to be delivered to a Terra Tech Indemnified Party in satisfaction of an Indemnification Claim under this Article 6, each of the Holdback Shares or other Payment Securities shall be valued as follows:

(i) Prior to the distribution of the Holdback Shares to the Company Shareholders: (i) each share of Terra Tech Common Stock shall be deemed to have value equal to the Terra Tech Closing Price, and (ii) each share of Terra Tech's Series B Preferred Stock, Series Q Preferred Stock, and Series Z Preferred Stock shall be deemed to have value equal to the product of (x) the number of shares of Terra Tech Common Stock into which such Payment Securities are then convertible (either directly or indirectly), multiplied by (y) the Terra Tech Closing Price.

(ii) Following the distribution of the Holdback Shares to the Company Shareholders after the Escrow Release Date: (i) each share of Terra Tech Common Stock shall be deemed to have value equal to the greater of (A) the Terra Tech Closing Price, and (B) the VWAP of the Terra Tech Common Stock as of the date the amount required to be paid in satisfaction of the Indemnification Claim is finally determined, and (ii) each share of Terra Tech's Series B Preferred Stock, Series Q Preferred Stock, and Series Z Preferred Stock shall be deemed to have value equal to the product of (x) the number of shares of Terra Tech Common Stock into which such Payment Securities are then convertible (either directly or indirectly), multiplied by (y) the greater of (A) the Terra Tech Closing Price, and (B) the VWAP of the Terra Tech Common Stock as of the date the amount required to be paid in satisfaction of the Indemnification Claim is finally determined.

Section 6.4 Third-Party Claim Procedures. In the event any Terra Tech Indemnified Party becomes aware of a claim made by any third-party claimant against the Terra Tech Indemnified Party (a "**Third-Party Claim**"), which such Terra Tech Indemnified Party reasonably believes may result in a claim for indemnification pursuant to this Article 6, such Terra Tech Indemnified Party shall notify the Shareholder Representative of such claim, and the Shareholder Representative (on behalf of the Company Shareholders) shall be entitled, at the expense of the Company Shareholders (to be borne proportionally according to their respective Pro Rata Shares), to participate in, but not to determine or conduct, the defense of such Third-Party Claim. The Terra Tech Indemnified Party shall have the right in its sole discretion to conduct the defense of, and to settle, any such claim; provided, however, that, except with the consent of the Shareholder Representative, no settlement of any such Third-Party Claim with third-party claimants shall be determinative of the amount of Damages relating to such matter.

Section 6.5 Adjustment to Purchase Price. To the extent permitted by Law, any indemnification payment made pursuant to this Article 6 will be treated as an adjustment to the Merger consideration.

Section 6.6 Several Obligations. For purposes of this Agreement, the liability of the Company Shareholders with respect to Losses shall be deemed to be allocated and borne pro rata based on their respective Pro Rata Shares.

Section 6.7 Shareholder Representative.

(a) The Shareholder Representative shall have the exclusive authority to give and receive notices and communications pursuant to the terms of this Article 6 solely with respect to indemnification claims by the Terra Tech Indemnified Parties to be satisfied solely by the delivery of Holdback Shares to the Terra Tech Indemnified Parties, to authorize delivery to the Terra Tech Indemnified Parties of the Holdback Shares in satisfaction of indemnification claims by the Terra Tech Indemnified Parties as contemplated by Section 6.3, to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and take legal actions and comply with orders of courts and awards of arbitrators with respect to indemnification claims by the Terra Tech Indemnified Parties that will or may be paid or otherwise satisfied solely by the delivery of Holdback Shares, and to take all actions necessary or appropriate in the judgment of the Shareholder Representative for the accomplishment of the foregoing. No bond shall be required of the Shareholder Representative, and the Shareholder Representative shall receive no compensation for services rendered. Notices or communications to or from the Shareholder Representative shall constitute notice to or from each of the Company Shareholders solely with respect to indemnification claims by the Terra Tech Indemnified Parties to be satisfied solely by the delivery of Holdback Shares to the applicable Terra Tech Indemnified Parties.

(b) The Shareholder Representative shall not be liable for any act done or omitted hereunder in her capacity as Shareholder Representative, except to the extent she has acted with willful misconduct, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence that she did not act with gross negligence or willful misconduct. The other Shareholders shall severally and not jointly indemnify the Shareholder Representative and hold her harmless against any loss, liability or expense incurred in good faith on the part of the Shareholder Representative and arising out of or in connection with the acceptance or administration of the duties hereunder, including any out-of-pocket costs and expenses and legal fees and other legal costs reasonably incurred by the Shareholder Representative ("**Outstanding Shareholder Representative Expenses**"). If not paid directly to the Shareholder Representative by the Company Shareholders, such losses, liabilities or expenses may be recovered by the Shareholder Representative from the Escrow Shares (if any) that otherwise would be distributed to the Company Shareholders hereunder, and such recovery (if any) of Outstanding Shareholder Representative Expenses from such Escrow Shares will be made from the Company Shareholders according to their respective Pro Rata Shares.

(c) A decision, act, consent or instruction of the Shareholder Representative shall constitute a decision of all the Company Shareholders and shall be final, binding and conclusive upon each of the Company Shareholders, and the Escrow Agent and Terra Tech may rely upon any decision, act, consent or instruction of the Shareholder Representative as being the decision, act, consent or instruction of each of the Company Shareholders.

(d) Notwithstanding the foregoing, the Shareholder Representative will not take any action required or authorized under this Agreement without the prior written consent of Miguel Rodriguez acting on behalf of the Management Group (the "**Management Group Representative**"), which consent shall not be unreasonably withheld, delayed, denied, or conditioned. The Management Group Representative may be replaced at any time by the affirmative written consent of holders of a majority of the Shares held by the Management Group (measured as of immediately prior to the Closing). In the event the Shareholder Representative and the Management Group Representative are unable to agree on an action required or permitted to be taken by the Shareholder Representative hereunder, such matter will be decided by written consent of holders of a majority of the Shares held by all Company Shareholders (measured as of immediately prior to Closing), or their respective heirs and assigns, and such decision shall be binding on all Company Shareholders. In the event of a deadlock after all Company Shareholders vote, the matter under consideration will be decided pursuant to the disputes resolution procedure set forth in Section 6.7(e) immediately below.

(e) The exclusive method for resolving any and all disputes, claims or controversies arising out of or relating to thisSection 6.7, shall be final and binding arbitration before JAMS, or its successors. Either the Shareholder Representative of the Management Group Representative may commence the arbitration process called for in this Section 6.7 by filing a written demand for arbitration with JAMS, with a copy to all of the Company Shareholders. Notwithstanding the amount or issue in dispute, the arbitration will administered in accordance with the Streamlined Arbitration Rules and Procedures (the "**Rules**") in effect at the time of filing of the demand for arbitration, and conducted at a location determined by the arbitrator within Alameda County, California. The arbitrator shall be a retired judge with significant experience resolving commercial disputes. The arbitrator's fees in connection with any such arbitration proceeding shall initially be shared equally among the Company Shareholders, subject to any reallocation in accordance with the arbitrator's decision. The arbitrator will also have the authority to award reimbursement of reasonable attorney's fees to the prevailing party to be shared by

one or both of the other parties as determined by the arbitrator. In light of the parties' desire to proceed informally, expeditiously and at minimal expense, the parties agree to waive all discovery and any oral hearing and to submit all disputes to the arbitrator based solely upon written submissions. The arbitrator shall apply the substantive and procedural laws of the State of California, without regard to the conflicts of law principles of such state. The arbitrator's decision and award shall be rendered in writing with counterpart copies to all parties. Judgment upon an arbitration may be entered in any court having competent jurisdiction thereof, and shall be binding, final and non-appealable. In the event of any conflict between this Section 6.7(e) and the Rules, this Section 6.7(e) shall govern and control. For the avoidance of doubt, the arbitration procedure in this Section 6.7(e) shall only apply to disputes among Company Shareholders with respect to this Section 6.7, and any other disputes under this Agreement may be resolved in any court of competent jurisdiction in accordance with Section 11.6

Section 6.8 Survival of Representations and Warranties. All representations and warranties of Company in this Agreement (as qualified by the Company Disclosure Schedule) shall survive for a period of two (2) years following the Closing Date; provided, however, that the representations and warranties contained in Section 2.1, Section 2.2, Section 2.3, Section 2.4, and Section 2.5 shall survive for three (3) years. The right to indemnification, reimbursement, or other remedy based on such representations and warranties will not be affected by any investigation conducted by the parties other than any investigation conducted by the parties prior to Closing; provided, however, that this exclusion shall not apply to any of Company's representations and warranties that relate to its books and records of account, its financial statements (other than information disclosed on the Balance Sheet), or the representations and warranties contained in Section 2.10 and Section 2.13(a)-(d).

ARTICLE 7

CLOSING CONDITIONS OF TERRA TECH AND THE MERGER SUB

Each of Terra Tech's and the Merger Sub's obligations to effect the Closing and consummate the Transactions are subject to the satisfaction of each of the following conditions, provided that the failure of the Company to satisfy the Closing conditions contained in this Article 7 shall not give rise to a claim for indemnity unless the Company has not used commercially reasonable efforts in its attempts to satisfy such Closing conditions:

Section 7.1 Accuracy of Representations and Warranties. The representations and warranties of the Company set forth in this Agreement shall be true and correct as of the Signing Date and the Closing Date as though made on and as of such date (unless any such representation or warranty is made only as of a specific date, in which event such representation or warranty shall be true and correct only as of such specific date), except, in each case, as contemplated by this Agreement or where the failure of any such representation or warranty to be so true and correct would not have a Material Adverse Effect on the Company.

Section 7.2 Additional Conditions to Closing.

(a) All necessary approvals under federal and state securities Laws and other authorizations relating to the issuance of the Payment Securities and the transfer of the Shares shall have been received.

(b) No preliminary or permanent injunction or other Order by any federal, state, or foreign court of competent jurisdiction which prohibits the consummation of the Merger shall have been issued and remain in effect. No statute, rule, regulation, executive order, stay, decree, or judgment shall have been enacted, entered, issued, promulgated, or enforced by any court or governmental authority which prohibits or restricts the consummation of the Transactions. All authorizations, consents, Orders or approvals of, or declarations or filings with, and all expirations of waiting periods imposed by, any Governmental Body which are necessary for the consummation of the Transactions, other than those the failure to obtain which would not materially adversely affect the consummation of the Transactions or in the aggregate have a Material Adverse Effect on Terra Tech and its subsidiaries, including, without limitation, the Merger Sub, taken as a whole, shall have been filed, occurred, or been obtained (all such permits, approvals, filings, and consents and the lapse of all such waiting periods being referred to as the "**Requisite Regulatory Approvals**") and all such Requisite Regulatory Approvals shall be in full force and effect.

Section 7.3 Performance of Agreements. Company shall have executed and delivered each of the Transaction Agreements to which it is a party, instruments, and documents required to be executed and delivered, and performed all actions required to be performed by Company pursuant to this Agreement, except as Terra Tech and the Merger Sub have otherwise consented in writing.

Section 7.4 Consents. Each of the Consents identified in the Company Disclosure Schedule shall have been obtained and shall be in full force and effect, other than those Consents, the absence of which would not have a Material Adverse Effect on the Company.

Section 7.5 No Material Adverse Effect. Since the Signing Date, there shall not have occurred any Material Adverse Effect on the Company that is continuing.

Section 7.6 Company Closing Certificate. In addition to the documents required to be received under this Agreement, Terra Tech and the Merger Sub shall also have received the following documents (unless waived by Terra Tech and the Merger Sub):

(a) copies of resolutions of the Board of Directors and the Company Shareholders, certified by a Secretary, Assistant Secretary, or other appropriate officer of Company, authorizing the execution, delivery, and performance of this Agreement and other Transaction Agreements;

(b) (i) a Certificate of Status from the Secretary of State of California and (ii) entity status letter, from the Franchise Tax Board of California in respect of Company; and

(c) such other documents as Terra Tech and the Merger Sub may request in good faith for the purpose of (i) evidencing the accuracy of any representation or warranty made by Company, (ii) evidencing the compliance by Company, or the performance by Company of, any covenant or obligation set forth in this Agreement or any of the other Transaction Agreements, (iii) evidencing the satisfaction of any condition set forth in this Article 7, or (iv) otherwise completing the consummation or performance of the Transactions.

Section 7.7 Transaction Agreements. Each Party (other than Terra Tech and the Merger Sub) shall have executed and delivered prior to or on the Closing Date all Transaction Agreements to which it is to be a party.

Section 7.8 Delivery of Stock Certificates, Stock Book and Ledgers, Minute Book, Corporate Seal, and Books and Records. Company shall have delivered to Terra Tech, if so requested, the stock book and ledgers, minute book, corporate seal and books and records of Company.

ARTICLE 8
CLOSING CONDITIONS OF COMPANY

The obligations of Company to effect the Closing and consummate the Transactions are subject to the satisfaction of each of the following conditions:

Section 8.1 Accuracy of Representations and Warranties. The representations and warranties of Terra Tech and the Merger Sub set forth in this Agreement shall be true and correct as of the Signing Date and the Closing Date as though made on and as of such date (unless any such representation or warranty is made only as of a specific date, in which event such representation or warranty shall be true and correct only as of such specific date), except, in each case, as contemplated by this Agreement or where the failure of any such representation or warranty to be so true and correct would not have a Material Adverse Effect on Terra Tech and the Merger Sub as a whole.

Section 8.2 Additional Conditions to Closing.

(a) All necessary approvals under federal and state securities Laws and other authorizations relating to the issuance and transfer of the Payment Securities by Terra Tech and the transfer of the Shares by the Company Shareholders shall have been received.

(b) No preliminary or permanent injunction or other order by any federal, state, or foreign court of competent jurisdiction which prohibits the consummation of the Transactions shall have been issued and remain in effect. No statute, rule, regulation, executive order, stay, decree, or judgment shall have been enacted, entered, issued, promulgated, or enforced by any court or governmental authority which prohibits or restricts the consummation of the Transactions. All Requisite Regulatory Approvals shall have been filed, occurred, or been obtained and all such Requisite Regulatory Approvals shall be in full force and effect.

(c) There shall not be any action taken, or any statute, rule, regulation, or Order enacted, entered, enforced, or deemed applicable to the Transactions, by any federal or state Governmental Body which, in connection with the grant of a Requisite Regulatory Approval, imposes any material condition or material restriction upon Company or its subsidiaries (or, in the case of any disposition of assets required in connection with such Requisite Regulatory Approval, upon Terra Tech, its subsidiaries, including, without limitation, the Merger Sub, Company or any of their subsidiaries), including, without limitation, requirements relating to the disposition of assets, which in any such case would so materially adversely impact the economic or business benefits of the Transactions as to render inadvisable the consummation of the Transactions.

Section 8.3 Terra Tech and the Merger Sub Closing Certificates. Company shall have received the following documents (unless waived by Company):

(a) (i) copies of resolutions of Terra Tech, certified by a Secretary, Assistant Secretary or other appropriate officer of Terra Tech, authorizing the execution, delivery, and performance of the Transaction Agreements and the Transactions, and (ii) copies of resolutions of the Merger Sub, certified by a Secretary, Assistant Secretary or other appropriate officer of the Merger Sub, authorizing the execution, delivery, and performance of the Transaction Agreements and the Transactions;

(b) (i) Certificate of Existence with Status in Good Standing from the Secretary of State of the State of Nevada with respect to Terra Tech, and (ii) Certificate of Status from the Secretary of State of the State of California with respect to the Merger Sub; and

(c) such other documents as Company may request in good faith for the purpose of (i) evidencing the accuracy of any representation or warranty made by Terra Tech or the Merger Sub, as applicable, (ii) evidencing the compliance by Terra Tech with, or the performance by Terra Tech of, any covenant or obligation set forth in this Agreement or any of the other Transaction Agreements, (iii) evidencing the compliance by the Merger Sub, or the performance by the Merger Sub of, any covenant or obligation set forth in this Agreement or any of the other Transaction Agreements, (iv) evidencing the satisfaction of any condition set forth in Article 7 or this Article 8, or (v) otherwise facilitating the consummation or performance of the Transactions.

Section 8.4 No Material Adverse Effect. Since the Signing Date, there shall not have occurred any Material Adverse Effect on Terra Tech that is continuing.

Section 8.5 Performance of Agreements. Each of Terra Tech and the Merger Sub shall have executed and delivered each of the agreements to which they are a party, instruments and documents required to be executed and delivered, and performed all actions required by Terra Tech or the Merger Sub pursuant to this Agreement, except as Company and the Company Shareholders have otherwise consented in writing.

Section 8.6 Consents. Each of the Consents identified in the Company Disclosure Schedule shall have been obtained and shall be in full force and effect, other than those Consents the absence of which shall not have a Material Adverse Effect on Terra Tech or the Merger Sub, as applicable.

Section 8.7 Terra Tech Common Stock. On the Closing Date, shares of Terra Tech Common Stock shall be eligible for quotation on OTC LinkÒ ATS.

Section 8.8 Management Agreement. On the Closing Date that certain Operations and Asset Management Agreement between Terra Tech and Platinum Standard, LLC (the "**OMA**") shall be in full force and effect, with Terra Tech having agreed to assume the OMA after the Closing.

Section 8.9 Certificates of Designation. Terra Tech shall have filed the Certificates of Designation with the Nevada Secretary of State and delivered certified copies of such filed Certificates of Designation to Company and the Shareholder Representative, and Terra Tech shall have taken all other steps as are reasonably necessary to duly authorize the Payment Securities for issuance hereunder.

ARTICLE 9
FURTHER ASSURANCES

Each of the parties hereto agrees that it will, from time to time after the Signing Date, execute and deliver such other certificates, documents, and instruments and take such other action as may be reasonably requested by the other party to carry out the actions and transactions contemplated by this

Agreement, including the closing conditions described in Article 7 and Article 8. Company shall reasonably cooperate with Terra Tech in its obtaining of the books and records of Company, or in preparing any solicitation materials to be sent to Terra Tech's stockholders in connection with the approval of the Transactions and the transactions contemplated by the Transaction Agreements.

ARTICLE 10
TERMINATION

Section 10.1 Termination. This Agreement may be terminated and the Transactions abandoned at any time prior to the Closing Date:

(a) by mutual written consent of Terra Tech, the Merger Sub and Company;

(b) by Terra Tech for any reason in its discretion prior to the Commitment Date;

(c) by Terra Tech if (i) there is a material Breach of any covenant or obligation of Company; provided, however, that, if such Breach or Breaches are capable of being cured prior to the Closing Date, such Breach or Breaches shall not have been cured within 10 days of delivery of the written notice of such Breach, or (ii) Terra Tech reasonably determines that the timely satisfaction of any condition set forth in Article 7 has become impossible or impractical (other than as a result of any failure on the part of Terra Tech to comply with or perform its covenants and obligations under this Agreement or any of the other Transaction Agreements);

(d) by Company if (i) there is a material Breach of any covenant or obligation of Terra Tech; provided, however, that if such Breach or Breaches are capable of being cured prior to the Closing Date, such Breach or Breaches shall not have been cured within 10 days of delivery of the written notice of such Breach, or (ii) Company reasonably determines that the timely satisfaction of any condition set forth in Article 8 has become impossible or impractical (other than as a result of any failure on the part of Company or any Shareholder to comply with or perform any covenant or obligation set forth in this Agreement or any of the other Transaction Agreements);

(e) by Terra Tech or Company if the Closing has not taken place on or before the Outside Date (except if as a result of any failure on the part of party seeking to terminate this Agreement to comply with or perform its covenants and obligations under this Agreement or in any other Transaction Agreement);

(f) by any of Terra Tech and the Merger Sub, on the one hand or Company, on the other hand, if any court of competent jurisdiction in the United States or other United States Governmental Body shall have issued an Order, decree, or ruling or taken any other action restraining, enjoining, or otherwise prohibiting the Transactions and such Order, decree, ruling, or any other action shall have become final and non-appealable; provided, however, that the party seeking to terminate this Agreement pursuant to this clause (f) shall have used all commercially reasonable efforts to remove such Order, decree, or ruling.

(g) The parties hereby agree and acknowledge that a Breach of the provisions of Sections 4.1, 4.2, 4.3, 4.4, and 4.6 are, without limitation, material Breaches of this Agreement.

Section 10.2 Termination Procedures. If Terra Tech or the Merger Sub, as applicable, wish to terminate this Agreement pursuant to Section 10.1, Terra Tech or the Merger Sub, as applicable, shall deliver to the Company Shareholders and Company a written notice stating that Terra Tech or the Merger Sub, as applicable, is terminating this Agreement and setting forth a brief description of the basis on which Terra Tech or the Merger Sub, as applicable, is terminating this Agreement. If Company wishes to terminate this Agreement pursuant to Section 10.1, Company shall deliver to Terra Tech and the Merger Sub a written notice stating that Company is terminating this Agreement and setting forth a brief description of the basis on which Company is terminating this Agreement.

Section 10.3 Effect of Termination. In the event of termination of this Agreement as provided above, this Agreement shall forthwith have no further effect. Except for a termination resulting from a Breach by a party to this Agreement, there shall be no liability or obligation on the part of any party hereto. In the event of a Breach, the remedies of the non-breaching party shall be to seek damages from the breaching party or to obtain an Order for specific performance, in addition to or in lieu of other remedies provided herein. Upon request after termination, each party will re-deliver or, at the option of the party receiving such request, destroy all reports, work papers, and other material of any other party relating to the Transactions, whether obtained before or after the execution hereof, to the party furnishing same; provided, however, that Company shall, in all events, remain bound by and continue to be subject to Section 4.6, Terra Tech and the Merger Sub shall in all events remain bound by and continue to be subject toSection 5.3, and all the parties shall in all events remain bound by and continue to be subject to Section 6.1. Notwithstanding the foregoing, and subject to compliance with Laws, and obligations under the Securities Act and the Exchange Act, both Terra Tech and the Merger Sub, on the one hand, and Company, on the other hand, shall be entitled to announce the termination of this Agreement by means of a press release mutually agreed to in writing by all such Parties.

ARTICLE 11
MISCELLANEOUS

Section 11.1 Expenses. Except as otherwise set forth herein, each of the parties to the Transactions shall bear its own expenses incurred in connection with the negotiation and consummation of the Transactions contemplated by this Agreement.

Section 11.2 Entire Agreement. This Agreement and the other Transaction Agreements contain the entire agreement of the parties hereto, and supersede any prior written or oral agreements between them concerning the subject matter contained herein, or therein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties to this Agreement, relating to the subject matter contained in this Agreement and the other Transaction Agreements, which are not fully expressed herein or therein. The schedules and each exhibit attached to this

Agreement or delivered pursuant to this Agreement are incorporated herein by this reference and constitute a part of this Agreement.

Section 11.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Section 11.4 Descriptive Headings. The Article and Section headings in this Agreement are for convenience only and shall not affect the meanings or construction of any provision of this Agreement.

Section 11.5 Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficiently given on the earlier to occur of the date of personal delivery, the date of receipt, or three (3) days after posting by overnight courier or registered or certified mail, postage prepaid, addressed as follows:

If to Terra Tech or the Merger Sub:

Terra Tech Corp.
4700 Von Karman, Suite 110
Newport Beach, California 92660
Attn: Chief Executive Officer

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

Baker & Hostetler LLP
600 Anton Blvd., Suite 900
Costa Mesa, California 92626
Attn.: Randolf W. Katz

If to the Shareholder Representative:

to the address of the Shareholder Representative previously provided to Terra Tech in writing.

If to Company prior to the Effective Time:

Black Oak Gallery
576 W. Grand Ave.
Oakland, California 94612

with copies to each of the following (which shall not constitute notice):

the Shareholder Representative

HaasNajarian LLP
58 Maiden Lane, 2nd Floor
San Francisco, California 94108
Attn.: Louis N. Haas

Paradigm Counsel LLP
450 Sheridan Avenue
Palo Alto, California 94306
Attn.: Marek J. Adamo

Any party may change the address set forth herein to such address or addresses as such party shall designate by notice to the other parties given in accordance with this Section.

Section 11.6 Choice of Law; Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to choice of law principles. Each of the parties hereto consents to the jurisdiction of the courts of the State of California, County of Alameda and to the federal courts located in the County of Alameda, State of California.

Section 11.7 Binding Effect; Benefits. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the parties or their respective successors and permitted assigns, the Company Shareholders and other Persons expressly referred to herein, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

Section 11.8 Assignability. Neither this Agreement nor any of the parties' rights hereunder shall be assignable by any party without the prior written consent of the other parties and any attempted assignment without such consent shall be void.

Section 11.9 Waiver and Amendment. Any term or provision of this Agreement may be waived at any time by the party, which is entitled to the benefits thereof (it being understood that the Shareholder Representative may waive any provision of this Agreement on behalf of all of the Company Shareholders). The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. The parties may, by mutual agreement in writing of Terra Tech, Merger Sub, Company and the Shareholder Representative, amend this Agreement in any respect.

Section 11.10 Attorney' Fees. In the event of any action or proceeding to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' and experts' fees and costs, in addition to such other relief as may be granted.

Section 11.11 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 11.12 Construction. In executing this Agreement, the parties severally acknowledge and represent that each: (a) has fully and carefully read and considered this Agreement; (b) has or has had the opportunity to consult independent legal counsel regarding the legal effect and meaning of this Agreement and all terms and conditions hereof; (c) has been afforded the opportunity to negotiate as to any and all terms hereof; and (d) is executing this Agreement voluntarily, free from any influence, coercion or duress of any kind. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[*Signature pages follow*]

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

Terra Tech:

TERRA TECH CORP.

By: */s/ Michael Nahass*
Name: Michael Nahass
Title: Director

Merger Sub:

GENERIC MERGER SUB, INC.

By: */s/ Michael Nahass*

Name: Michael Nahass
Title: President and CEO

Company:

BLACK OAK GALLERY

By: */s/ Salwa Ibrahim*
Name: Salwa Ibrahim
Title: Chief Executive Officer

Shareholder Representative:

By: */s/ Salwa Ibrahim*
Name: Salwa Ibrahim

COMPANY DISCLOSURE SCHEDULE

TO AGREEMENT AND PLAN OF MERGER

December 23, 2015

This Company Disclosure Schedule sets forth the disclosures and exceptions of Black Oak Gallery, a California corporation ("**Company**"), to various sections of the Agreement and Plan of Merger (the "**Agreement**"), dated as of December 23, 2015, by and among Terra Tech Corp., a Nevada corporation ("**Terra Tech**"), Generic Merger Sub, Inc., a California corporation and a wholly-owned subsidiary of Terra Tech (the "**Merger Sub**"), the Company, and, with respect to Article 7 and Article 11 of the Merger Agreement only, Salwa Ibrahim, as representative of the Company Shareholders (the "**Shareholder Representative**"). This Company Disclosure Schedule is qualified in its entirety by reference to specific provisions of the Merger Agreement, and it is not intended to constitute, and shall not be construed as constituting, representations and warranties of Company except as and to the extent provided in the Merger Agreement. Capitalized terms not otherwise defined herein have the meaning given to them in the Merger Agreement.

No reference to or disclosure of any item or other matter in this Company Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in this Company Disclosure Schedule,

and no disclosure in this Company Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred.

Each disclosure in this Company Disclosure Schedule specifies the section or subsection of the Merger Agreement to which it applies and shall also be deemed to qualify other sections or subsections in Article 2 of the Merger Agreement to the extent applicability of such disclosure to such other sections and subsections is reasonably apparent on the face of such disclosure. Nothing in this Company Disclosure Schedule is intended to broaden the scope of any representation, warranty or covenant of Company contained in the Merger Agreement. Where the terms of an action or other item have been summarized or described in this Company Disclosure Schedule, such summary or description does not purport to be a complete statement of the material terms of such action or other item and Company makes no representation or warranty as to the foregoing.

Section 2.1 – Organization and Qualification

Reference is made to the disclosures made under Section 2.5 below.

Company's business, as contemplated to be conducted (which is contemplated to be in the Ordinary Course of Business), will require compliance with the New California Laws, securing annually the Oakland Permit, and obtaining the Oakland Consent (all as defined below in Section 2.5).

Section 2.3 – Articles of Incorporation and Bylaws

Company has made available copies of its minute book to Terra Tech. The original minute book is being held by the Company President.

Section 2.5 – No Violation

Company is in the business of owning and operating a medical cannabis dispensary in the City of Oakland, California, and accordingly is subject to regulation under City of Oakland ordinances, as well as State of California and United States Federal Law. Cannabis is a Schedule I controlled substance under the United States Controlled Substances Act and accordingly, the manufacture, distribution, or possession of cannabis is a federal criminal offense.

In addition, the operation of a medical cannabis dispensary in Oakland requires a medical cannabis permit under applicable City of Oakland ordinances (the "***Oakland Permit***"). Company's Oakland Permit subjects Company to a number of ongoing operational requirements, the text of which is incorporated herein by reference. Such requirements include, without limitation, requirements regarding local ownership, makeup of the dispensary's board, and requirements regarding the composition and compensation of dispensary employees. The Oakland Permit is currently issued to Oakland Community Collective (a predecessor name of Company), and Salwa Ibrahim and Derek Peterson are the only individuals named on the Oakland Permit. The Oakland Permit must be renewed annually and is subject to an administrative review process, including a public hearing.

Company is required under the terms of its Oakland Permit to submit audited financial statements to the City of Oakland; however, the City of Oakland has in the past renewed such Permit without requesting such audited financial statements.

Company intends to request and will ask to receive prior to Closing a letter from an authorized City of Oakland administrator consenting to the transactions contemplated by the Merger (the "***Oakland Consent***"). Although Company will use its reasonable efforts to obtain the Oakland Consent, there can be no assurance that the City of Oakland will ultimately grant the Oakland Consent.

In addition to the Oakland Permit, Company is required to maintain a standard business license in the City of Oakland.

In September 2015, the California state legislature passed, and the governor signed into law, several amendments to California statute known as Assembly Bill 266 and Senate Bill 643 pertaining to the regulation of medical cannabis in the State of California (the "***New California Laws***"). The New California Laws are expected to contain numerous requirements applicable to Company once regulations authorized by the New California Laws are enacted by the relevant State of California regulatory authorities. Company will likely be required to obtain licenses and permits and adjust its business practices to comply with the New California Laws and regulations promulgated thereunder.

Section 2.6 – Capitalization and Related Matters

Company entered into an Option Agreement for Purchase of Shares of Oakland Community Collective, Inc. (the "***Option***"), executed October 1, 2012, with Boss Investments, LLC, which was misnamed in the Option Agreement as Boss Investments, Inc. ("***Boss***"). Under the Option, Boss had the right to distribute the shares issuable under the Option to third parties in its discretion. Boss informed Company of its intent to exercise the Option, but the issuance of the shares issuable under the Option has not occurred as of the Signing Date. It is a condition of Closing that such Option shares, pursuant to the terms of the Option, will be issued to individuals designated by Boss immediately prior to the Closing in the proportions indicated on Annex A to the Merger Agreement.Although the Option was exercisable for up to 50,000 shares, the parties thereto have agreed that the Option shall be exercised as to 19,886.37 shares so as to reflect the intent of such parties that the Option be exercisable for 50% of the issued and outstanding capital stock of the Company.

The Company intends to issue 6,363.64 shares of its common stock to Martin Kaufman and 3,522.73 additional shares of its common stock to Derek Peterson prior to the Closing in satisfaction of agreements with such parties. The resulting capitalization of the Company immediately prior to the Closing shall be as set forth on Annex A.

Section 2.7 – Compliance with Laws and Other Instruments

Reference is made to the disclosures made under Section 2.5 above.

A director of and a service provider to Company (and to Terra Tech and/or its subsidiaries), respectively, assisted the Federal Bureau of Investigation in connection with its investigation of Daniel Rush. A criminal complaint was filed against Mr. Rush in the United States District Court for the Northern District of California, Case No. 4-15-71008, and such complaint contained an attached affidavit detailing the alleged facts resulting from such investigation (such criminal complaint together with the attached affidavit, the "***Complaint***"). The text of the Complaint is publicly available and is incorporated herein by reference. Mr. Rush was indicted on September 17, 2015 on federal charges of allegedly taking of illegal payments as a union employee, honest services fraud, attempted extortion, and money laundering. A copy of such indictment is publicly available and is incorporated herein by reference.

The Company entered into a Standard Industrial/Commercial Multitenant Lease, dated May 30, 2012, with Orinda Development Investments LLC with respect to the premises in which the Company's medical cannabis dispensary in the City of Oakland, California is being operated (the "***Oakland Lease***"). Under the terms of the Oakland Lease, the landlord's consent is required in the event of certain assignments and changes of control (including the Merger). An entity controlled by Salwa Ibrahim, a Director of the Company, is in the process of purchasing the premises from Orinda Development Investments LLC, and such purchase is likely to be completed prior to the Closing of the Merger.

Section 2.9 – Title and Condition to Properties

Certain of assets used in the operation of the Blum Oakland dispensary are owned by Salwa Ibrahim, Company's president. These assets include, without limitation, certain works of art displayed at Blum Oakland. Other works of art displayed in the facility are owned by the artists or others. However, the use of none of such assets is material to Company's business or financial condition.

Reference is made to the disclosures regarding the Oakland Permit in Section 2.5 above.

Most of the Company's inventory is held on a consignment basis, but is the subject of Company purchase orders, is carried on the Company's internal books (utilizing Quick Books) and is included on the Company's tax returns.

Section 2.10 – Absence of Undisclosed Liabilities

Reference is made to the disclosures made under Section 2.9 above.

Company regularly enters into purchase orders for the consignment of medical cannabis with several of its Shareholders, which obligations are reflected on Company's internal financial statements, and on its tax returns. Such purchase orders for consignment are entered into in the Ordinary Course of Business. Company does not prepare interim financial statements, but the financial information is kept on a Quick Books program maintained by

Company staff, primarily Alicia Darrow. Company does not prepare audited annual financial reports, but does prepare unaudited reports for the City of Oakland and as contained in its tax returns. Company's CPA, Charles Harb, inputs information received from Company into a Quick Books program he keeps (but does not publish) which he provides to the CPA who prepares the tax returns (Michael Eisenberg, Weiss and Weissman, 601 California St ., Suite 1307, San Francisco, CA 94108).

Section 2.11 – Changes

(d)

See Section 2.23(c) below. Many of Company's employees who will become Company Shareholders by virtue of the Option referenced in Section 2.6 above have foregone market rate compensation for their services and are entitled to additional compensation if and when sufficient cash becomes available prior to the Closing; however the maximum exposure to Company for this additional compensation is $50,000 for all such employees.

(f)

Reference is made to the disclosures made under Section 2.6 above regarding the Option.

(j)

Reference is made to the disclosure in Subsection (d) above.

(k)

Reference is made to the disclosure in Subsection (d) above.

(n)

Company intends to make changes to its accounting methods in anticipation of the Merger.

Section 2.12 – Material Contracts

Company regularly enters into purchase orders for the consignment of medical cannabis with the suppliers thereof, which in some cases constitute Material Contracts. Company has not delivered copies of all such purchase orders to Terra Tech, but all such purchase orders have been made available to Terra Tech.

2.13 – Taxes

(a)

The Company anticipates audits of its state and federal tax returns as a result of Internal Revenue Service and Franchise Tax Board of California aggressively auditing medical cannabis businesses and taking positions contrary to the taxpayers' tax positions generally.However, the Company is not currently being audited and as of the Signing Date has not received written notice that any such audit has or will be commenced.

Section 280E of the Internal Revenue Code provides that no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted. Reference is made to the disclosure in the first paragraph of Section 2.5 of this Company Disclosure Schedule above.

(c)

Reference is also made to the disclosure in Section 2.13(a).

2.15 – Insurance

The Company has the following insurance policies, evidence and/or copies of which have been made available to Terra Tech:

Type	Policy #	Carrier	Insured Party
Workers Compensation and Employers' Liability	WC 065256786	Granite State Insurance Company	Black Oak Gallery
Commercial General Liability; Commercial Property; and Commercial Crop	IK21X000766-00	International Insurance Company of Hannover SE	Black Oak Gallery dba Blum
General Liability – Commercial Product	KSNW000123-00	Knight Specialty Insurance Company	Black Oak Gallery dba Blum

2.16 – Proceedings

Reference is made to the disclosures in Sections 2.5 and 2.13 of this Disclosure Schedule above, which have in some cases been the subject of privileged and confidential legal advice to the Company and/or the Shareholders.

2.17 – Licenses

Reference is made to the disclosures regarding the Oakland Permit, Oakland Consent, and New California Laws in Section 2.5 above.

2.18 – Interested Party Transactions

Reference is made to the disclosures made in Section 2.10 above. The Company regularly purchases products for sale in the Ordinary Course of Business from officers, directors, shareholders and other service providers to Company or their respective Affiliates. Such purchases are reflected on the books of Company and are the subject of written purchase orders.

Salwa Ibrahim and Derek Peterson, each a director and shareholder of Companyare also service providers to Terra Tech and hold (or may in the future hold) positions as a director and/or officer of Terra Tech and/or its subsidiaries.

2.19 – Governmental Inquiries

Company routinely provides monthly reports to the City of Oakland based on its operations and responds to further requests for information from time to time. All of such information has been made available to Terra Tech ; however, the Company has not delivered copies of all such information to Terra Tech.

2.20 – Bank Accounts

Company has a business checking account with Bank of America, N.A., account number 1641 0023 0700.

Section 2.23 – Employee Matters

(b)

As a condition of Closing, Terra Tech must enter into an Operations and Asset Management Agreement with Platinum Standard, LLC. Platinum Standard, LLC is an entity controlled by certain individuals currently providing services to Company, all of whom will become Shareholders by virtue of the exercise of the Option referenced in Section 2.6 above.

(c)

Reference is made to the disclosures made under Section 2.11(d) and 2.18 above.

Company has agreed to pay Alicia Darrow annual bonuses based on net income as follows:

- If the Company's annual net revenues ("NOI") exceed 15% (measured against gross revenues) Alicia Darrow is entitled to a $5,000 bonus. If the Company's NOI exceeds 20%, Alicia Darrow is entitled to an additional bonus of $10,000.

- If the Company's NOI exceeds 25%, Alicia Darrow is entitled to another additional bonus of $10,000. These bonuses are payable (i) without regard to the amount of gross revenues or NOI achieved in any year, so long as the NOI increases are met per the above formula, and (ii) until the Company (or Terra Tech following the Merger) and Alicia Darrow agree to a new compensation plan

- The City of Oakland imposes requirements for paid sick leave for certain employees, currently accruing at the rate of 1 hour of paid sick pay for every 30 hours worked.

Section 2.25 – Inventories

Company's medical cannabis products are perishable and can, from time to time, become unsalable.

Section 4.3 – Filings and Consents

(b)

The Company has determined that notice of the Merger and the consent of the following third parties will need to be (or would be advisable to) obtain in connection with the Merger:

- City of Oakland with respect to the Oakland Permit

- Landlord with respect to the lease for the Company's Oakland dispensary located at 578 W. Grand Ave, Oakland, California 94612-1618

Such consents may not be able to be obtained for reasons beyond Company's control, and which therefore will not be subject to the indemnification obligations provided in Article 6.

EXHIBIT A

CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

Agreement. "Agreement" shall mean the Merger Agreement to which this Exhibit A is attached (including all Disclosure Schedules and all Exhibits), as it may be amended from time to time.

Approved Plans. "Approved Plans" shall mean a stock option or similar plan for the benefit of employees or others, which has been approved by the shareholders of Company.

Company Common Stock. "Company Common Stock" shall mean the shares of common stock of Company.

Blum Oakland. "Blum Oakland" shall mean the medical cannabis dispensary known as "Blum Oakland" operated by Company in Oakland, California as of the Signing Date.

Breach. There shall be deemed to be a "Breach" of a representation, warranty, covenant, obligation, or other provision if there is or has been any inaccuracy in or breach of, or any failure to comply with or perform, such representation, warranty, covenant, obligation, or other provision.

Business Day. "Business Day" shall mean any day, other than a Saturday, Sunday, or one on which banks are authorized by applicable Laws to be closed in either New York, New York or San Francisco, California.

Certificates. "Certificates" shall have the meaning specified in Section 1.4(a) of the Agreement.

Closing. "Closing" shall have the meaning specified in Section 1.1(d) of the Agreement.

Closing Date. "Closing Date" shall have the meaning specified in Section 1.1(d) of the Agreement.

Code. "Code" shall mean the Internal Revenue Code of 1986 or any successor law, and regulations issued by the Internal Revenue Service pursuant to the Internal Revenue Code or any successor law.

Commitment Date. "Commitment Date" shall mean March 1, 2016.

Company Disclosure Schedule. "Company Disclosure Schedule" shall have the meaning specified in introduction to Article 2 of the Agreement.

Confidential Information. "Confidential Information" shall mean all nonpublic information disclosed by one party or its agents (the "Disclosing Party") to the other party or its agents (the "Receiving Party") that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Confidential Information includes, without limitation, (i) nonpublic information relating to the Disclosing Party's technology, customers, vendors, suppliers, business plans, Intellectual Property, promotional and marketing activities, finances, agreements, transactions, financial information, and other business affairs, and (ii) third-party information that the Disclosing Party is obligated to keep confidential.

Confidential Information does not include any information that (i) is or becomes publicly available without breach of this Agreement, (ii) can be shown by documentation to have been known to the Receiving Party at the time of its receipt from the Disclosing Party, (iii) is received from a third-party who, to the knowledge of the Receiving Party, did not acquire or disclose such information by a wrongful or tortious act, or (iv) can be shown by documentation to have been independently developed by the Receiving Party without reference to any Confidential Information.

Consent. "Consent" shall mean any approval, consent, ratification, permission, waiver, or authorization (including any Governmental Authorization).

Corporations Code. "Corporations Code" shall mean the Corporations Code of the State of California.

Entity. "Entity" shall mean any corporation (including any nonprofit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm, or other enterprise, association, organization, or entity.

Environmental Laws. "Environmental Laws" shall mean any Law or other requirement relating to the protection of the environment, health, or safety from the release or disposal of hazardous materials.

Environmental Permit. "Environmental Permit" means all licenses, permits, authorizations, approvals, franchises, and rights required under any applicable Environmental Law or Order.

Equity Securities. "Equity Security" shall mean any stock or similar security, including, without limitation, securities containing equity features and securities containing profit participation features, or any security convertible into or exchangeable for, with or without consideration, any stock or similar security, or any security carrying any warrant, right, or option to subscribe to or purchase any shares of capital stock, or any such warrant or right.

Exchange Act. "Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

GAAP. "GAAP" shall mean United States Generally Accepted Accounting Principles, applied on a consistent basis.

Group A Per-Share Closing Consideration. "Group A Per-Share Closing Consideration" shall mean 62.7716371 shares of Terra Tech's Series B Preferred Stock and 0.0591399 shares of Terra Tech's Series Z Preferred Stock.

Group A Per-Share Holdback Consideration. "Group A Per-Share Holdback Consideration" shall mean 148.4196462 shares of Terra Tech's Series B

Preferred Stock and 0.1398332 shares of Terra Tech's Series Z Preferred Stock.

Group A Per-Share Lock-up Consideration. "Group A Per-Share Lock-up Consideration" shall mean 224.7203487 shares of Terra Tech's Series B Preferred Stock and 0.2117219 shares of Terra Tech's Series Z Preferred Stock.

Group A Shareholders. "Group A Shareholders" shall mean those Company Shareholders listed on Annex A as "Group A" Company Shareholders.

Group B Per-Share Cash Consideration. "Group B Per-Share Cash Consideration" shall mean the right to receive an amount (if any) equal to a fraction (i) the numerator of which the amount of the Performance-based Cash Payment, and (ii) the denominator of which is the number of shares of Company Common Stock issued and outstanding to all Group B Shareholders immediately prior to the Effective Time, which amount shall be payable on each of the Shares held by the Group B Shareholders (as of immediately prior to the Effective Time) on the date that is 10 Business Days following the one-year anniversary of the Closing Date, subject to further division by agreement among the Group B Shareholders, such agreement to be disclosed to Terra Tech prior to the distribution of the Performance-based Cash Payment (if any).

Group B-Per Share Closing Consideration. "Group B Per-Share Closing Consideration" shall mean 0.1858609 shares of Terra Tech's Series Q Preferred Stock.

Group B Per-Share Holdback Consideration. "Group B Per-Share Holdback Consideration" shall mean 0.4394578 shares of Terra Tech's Series Q Preferred Stock.

Group B Per-Share Lock-up Consideration. "Group B Per-Share Lock-up Consideration" shall mean 0.4497834 shares of Terra Tech's Series Q Preferred Stock.

Group B Shareholders. "Group B Shareholders" shall mean those Company Shareholders listed on Annex A as "Group B" Company Shareholders.

Governmental Authorization. "Governmental Authorization" shall mean any:

(a) permit, license, certificate, franchise, concession, approval, consent, ratification, permission, clearance, confirmation, endorsement, waiver, certification, designation, rating, registration, qualification, or authorization that is issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law; or

(b) right under any contract with any Governmental Body.

Governmental Body. "Governmental Body" shall mean any:

(a) nation, principality, state, commonwealth, province, territory, county, municipality, district, or other jurisdiction of any nature;

(b) federal, state, local, municipal, foreign, or other government;

(c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court, or other tribunal); or

(d) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military, or taxing authority or power of any nature, including any court, arbitrator, administrative agency or commissioner, or other governmental authority or instrumentality.

Holdback Shares Amount. "Holdback Shares Amount" shall mean 2,951,528shares of Terra Tech's Series B Preferred Stock (or the shares of Terra Tech Common Stock into which they have been converted), 2,780.77 shares of Terra Tech's Series Z Preferred Stock (or the shares of Terra Tech Series B Preferred Stock or Common Stock into which they have been converted) and 8,739.22 shares of Terra Tech's Series Q Preferred Stock (or the shares of Terra Tech Common Stock into which they have been converted).

Indebtedness. "Indebtedness" shall mean any obligation, contingent or otherwise. Any obligation secured by a Lien on, or payable out of the proceeds of, or production from, property of the relevant party will be deemed to be Indebtedness.

Intellectual Property. "Intellectual Property" means all industrial and intellectual property, including, without limitation, all U.S. and non-U.S. patents, patent applications, patent rights, trademarks, trademark applications, common law trademarks, Internet domain names, trade names, service marks, service mark applications, common law service marks, and the goodwill associated therewith, copyrights, in both published and unpublished works, whether registered or unregistered, copyright applications, franchises, licenses, know-how, trade secrets, technical data, designs, customer lists, confidential and proprietary information, processes and formulae, all computer software programs or applications, layouts, inventions, development tools and all documentation and media constituting, describing or relating to the above, including manuals, memoranda, and records, whether such intellectual property has been created, applied for or obtained anywhere throughout the world, but excluding trade secrets and know-how owned and developed by the Green Door Dispensary in San Francisco and used by certain Company Shareholders and Platinum Standard, LLC in providing services to the Company.

Knowledge. A corporation shall be deemed to have "knowledge" of a particular fact or matter only if a director or officer of such corporation has, had, or should have had knowledge of such fact or matter.

Laws. "Laws" means, with respect to any Person, any U.S. or non-U.S. federal, national, state, provincial, local, municipal, international, multinational, or

other law (including common law), constitution, statute, code, ordinance, rule, regulation, or treaty applicable to such Person.

Lien. "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge, right of first refusal, encumbrance, or other adverse claim or interest of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction and including any lien or charge arising by Law.

Lock-up Shares Amount. "Lock-up Shares Amount" shall mean 4,468,872 shares of Terra Tech's Series B Preferred Stock (or the shares of Terra Tech Common Stock into which they have been converted), 4,210.38 shares of Terra Tech's Series Z Preferred Stock (or the shares of Terra Tech Series B Preferred Stock or Common Stock into which they have been converted) and 8,944.56 shares of Terra Tech's Series Q Preferred Stock (or the shares of Terra Tech Common Stock into which they have been converted).

Material Adverse Effect. "Material Adverse Effect" means any change, effect, or circumstance which, individually or in the aggregate, would reasonably be expected to (a) have a material adverse effect on the business, assets, financial condition, or results of operations of the affected party, in each case taken as a whole or (b) materially impair the ability of the affected party to perform its obligations under this Agreement and the Transaction Agreements, excluding any material change, effect or circumstance directly resulting from (i) the announcement, pendency, or consummation of the Transactions contemplated by this Agreement, (ii) changes in the United States securities markets generally, (iii) changes in general economic, currency exchange rate, political, or regulatory conditions in industries in which the affected party operates, (iv) changes in GAAP or other accounting standards (or the interpretation thereof), (v) changes in applicable laws, rules, regulations, orders or other binding directives issued by a Governmental Body (including, without limitation, those related to the regulation of cannabis), (vi) changes in any United States federal law enforcement policy with respect to cannabis generally or the medical cannabis industry specifically, (vii) any natural disasters, pandemics or acts of war, sabotage or terrorism, or a material escalation or worsening thereof to the extent such disasters, pandemics, acts or war, sabotage, terrorism or the material escalation or worsening thereof do not disproportionately affect the Company in relation to other companies in the industries in which the Company then operates, or (viii) any conditions, changes or developments arising or relating to (Y) actions taken or failure to take action, in each case, to which Terra Tech has approved, consented to or requested in writing, or (Z) the failure to take any action expressly prohibited by this Agreement.

Material Contract. "Material Contract" means any and all agreements, contracts, arrangements, understandings, leases, commitments or otherwise, providing for potential payments by or to the company in excess of $100,000.00, and the amendments, supplements, and modifications thereto, but excluding any agreements with or permits issued by any Government Body.

Order. "Order" shall mean any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any Governmental Body.

Ordinary Course of Business. "Ordinary Course of Business" shall mean an action taken by Company if (i) such action is taken in normal operation, consistent with past practices, (ii) such action is not required to be authorized by the Company Shareholders, Board of Directors or any committee of the Board of the Directors or other governing body of Company, and
(iii) does not require any separate or special authorization or consent of any nature by any Governmental Body or third-party.

Outside Date. "Outside Date" shall mean March 31, 2016.

Outstanding Claim. "Outstanding Claim" shall mean the amount in dollars of any indemnification claim made by any Terra Tech Indemnified Party pursuant to Article 6 that shall be outstanding and unresolved, or resolved in whole or in part in favor of the Terra Tech Indemnified Party but not yet paid.

Performance-based Cash Payment. "Performance-based Cash Payment" shall mean a payment in cash in the amount equal to (a) zero dollars ($0) if Year 1 Revenue (as defined in Section 1.6(b)) is below or equal to $12,000,000, and (b) if Year 1 Revenue is greater than $12,000,000, the product obtained by multiplying (i) 0.447, times (ii) Year 1 Revenue; provided that in no event with the Performance-based Cash Payment amount exceed $2,088,000.

Permitted Liens. "Permitted Liens" shall mean (a) Liens for Taxes not yet payable or in respect of which the validity thereof is being contested in good faith by appropriate proceedings and for the payment of which the relevant party has made adequate reserves; (b) Liens in respect of pledges or deposits under workmen's compensation laws or similar legislation, carriers, warehousemen, mechanics, laborers, and materialmen and similar Liens, if the obligations secured by such Liens are not then delinquent or are being contested in good faith by appropriate proceedings conducted and for the payment of which the relevant party has made adequate reserves; and (c) statutory Liens incidental to the conduct of the business of the relevant party which were not incurred in connection with the borrowing of money or the obtaining of advances or credits and that do not in the aggregate materially detract from the value of its property or materially impair the use thereof in the operation of its business.

Person. "Person" shall mean any individual, Entity, or Governmental Body.

Pre-Closing Period. "Pre-Closing Period" shall mean the period commencing as of the Signing Date and ending on the Closing Date.

Pro Rata Share. "Pro Rata Share" with respect to a Company Shareholder shall mean, for any given amount, such amount multiplied by the quotient obtained by dividing (x) the number of shares of Company Common Stock issued and outstanding to such Company Shareholder immediately prior to the Effective Time, by (y) the aggregate number of all shares of Company Common Stock issued and outstanding to all Company Shareholders immediately prior to the Effective Time.

Proceeding. "Proceeding" shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative, or appellate proceeding and any informal proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination, or investigation, commenced, brought, conducted or heard by or before, or otherwise has involved, any Governmental Body or any arbitrator or arbitration panel.

Representatives. "Representatives" of a specified party shall mean officers, directors, employees, attorneys, accountants, advisors, and representatives of such party, including, without limitation, all subsidiaries of such specified party, and all such Persons with respect to such subsidiaries. The Related

Persons of Company shall be deemed to be "Representatives" of Company, as applicable.

SEC. "SEC" shall mean the United States Securities and Exchange Commission.

Securities Act. "Securities Act" shall mean the United States Securities Act of 1933, as amended.

Taxes. "Taxes" shall mean all foreign, federal, state or local taxes, charges, fees, levies, imposts, duties, and other assessments, as applicable, including, but not limited to, any income, alternative minimum or add-on, estimated, gross income, gross receipts, sales, use, transfer, transactions, intangibles, ad valorem, value-added, franchise, registration, title, license, capital, paid-up capital, profits, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, real property, recording, personal property, federal highway use, commercial rent, environmental (including, but not limited to, taxes under Section 59A of the Code) or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest, penalties or additions to tax with respect to any of the foregoing; and "Tax" means any of the foregoing Taxes.

Tax Group. "Tax Group" shall mean any federal, state, local, or foreign consolidated, affiliated, combined, unitary or other similar group of which Company is now or was formerly a member.

Tax Return. "Tax Return" shall mean any return, declaration, report, claim for refund or credit, information return, statement, or other similar document filed with any Governmental Body with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

Terra Tech Closing Price. "Terra Tech Closing Price" shall mean $0.0974.

Terra Tech Common Stock. "Terra Tech Common Stock" shall mean the shares of common stock of Terra Tech.

Terra Tech SEC Reports. "Terra Tech SEC Reports" shall have the meaning specified in Section 3.7 of the Agreement.

Transaction Agreements. "Transaction Agreements" shall mean (i) this Agreement, (ii) the Escrow Agreement, and (iii) that certain Operations and Asset Management Agreement between Terra Tech and Platinum Standard, LLC.

VWAP. "VWAP" shall mean, for any date, the price determined by the first of the following clauses that applies: (a) if the Terra Tech Common Stock is then listed on a national securities exchange, the daily volume-weighted average price of the Terra Tech Common Stock for the 30 days preceding such date on the national securities exchange on which the Terra Tech Common Stock is then listed as reported by Bloomberg L.P. (based on a trading day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time), (b) if the Terra Tech Common Stock is not then listed on a national securities exchange, and if prices for the Terra Tech Common Stock are then reported in any quotation tier published by OTC Markets Group Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the daily volume-weighted average closing bid price of the Terra Tech Common Stock for the 30 days preceding such date of the Terra Tech Common Stock so reported, or (c) in all other cases, the fair market value of a share of Terra Tech Common Stock as determined by an independent appraiser selected in good faith by Terra Tech.

EXHIBIT B

Agreement of Merger

EXHIBIT C

Articles of Incorporation of the Surviving Corporation

EXHIBIT D

Escrow Agreement

EXHIBIT E-1

Certificate of Designation for Series Q Preferred Stock

EXHIBIT E-2

Amendment to Certificate of Designation for Series B Preferred Stock

EXHIBIT E-3

Certificate of Designation for Series Z Preferred Stock

EXHIBIT 2.6

FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER ("First Amendment") is made and entered into on this 29th day of February, 2016, by and among Terra Tech Corp., a Nevada corporation (" Terra Tech"), Generic Merger Sub, Inc., a California corporation and a wholly-owned subsidiary of Terra Tech (the " Merger Sub"), Black Oak Gallery, a California corporation doing business as "Blum" (the "Company"), and, with respect to Article 7 and Article II of the Merger Agreement (as defined below) only, Salwa Ibrahim as representative of the Company Shareholders (the "Shareholder Representative").

RECITALS

WHEREAS, Terra Tech, the Merger Sub, the Company, and the Shareholder Representative previously entered into an Agreement and Plan of Merger, dated as of December 23, 2015 (the "Merger Agreement"), whereby it has been agreed that Merger Subsidiary will merge with and into the Company, in which the Company will be the surviving corporation (the "Merger"), upon the terms and conditions set forth in the Merger Agreement; and

WHEREAS, in accordance with Section 11.9 of the Merger Agreement, the parties to the Merger Agreement desire to amend certain terms of the Merger Agreement as set forth in this First Amendment so as to, among other things, extend the Commitment Date to March 25, 2016 and, to memorialize such agreement, the parties desire to amend the Merger Agreement solely to change the Commitment Date.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants, and agreements contained herein, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Defined Terms. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Merger Agreement.

2. Amendment to Commitment Date. The definition of "Commitment Date," as set forth inExhibit A of the Merger Agreement, is hereby amended and restated in its entirety to read as follows:

"Commitment Date. "Commitment Date" shall mean March 25, 2016."

3. Entire Agreement. The Merger Agreement, as amended by this First Agreement, embodies the entire understanding among the parties with respect to the subject matter thereof and hereof and can be changed only by an instrument in writing executed by all of the parties.

4. Conflict of Terms. In the event of a conflict or inconsistency between the terms of the Merger Agreement and those of this First Amendment, the terms of this First Amendment shall control and govern the rights and obligations of the parties.

5. Ratification. Except to the extent amended hereby or inconsistent herewith, all of the terms, covenants, conditions, and provisions of the Merger Agreement shall remain in full force and effect, and the parties hereby acknowledge and confirm that the same are in full force and effect.

6. Execution. This First Amendment may be executed in two or more counterparts, each of which shall be original, but all of which shall constitute one and the same instrument. Facsimile or other electronic signatures shall be accepted by the parties as originals.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the date first above written.

Terra Tech:

TERRA TECH CORP.

By: */s/ Michael Nahass*
Name: Michael Nahass
Its: Director

Merger Sub:

GENERIC MERGER SUB, INC.

By: */s/ Michael Nahass*
Name: Michael Nahass
Its: President & Chief Executive Officer

Company:

BLACK OAK GALLERY

By: */s/ Salwa Ibrahim*
Name: Salwa Ibrahim
Its: Chief Executive Officer

Shareholder Representative:

BLACK OAK GALLERY

/s/ Salwa Ibrahim
Salwa Ibrahim

EXHIBIT 2.7

AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER, dated as of March 31, 2016 (the "***Merger Agreement***"), is made and entered into by Generic Merger Sub, Inc., a California corporation ("***Merger Sub***") and Black Oak Gallery, a California corporation (the "***Company***" or "***Surviving Corporation***") (the Company and Merger Sub being hereinafter collectively referred to as the "***Constituent Corporations***").

RECITALS

A. Terra Tech Corp., a Nevada corporation ("***Terra Tech***"), the Company and Merger Sub have entered into an Agreement and Plan of Merger dated December 23, 2015 (the "***Reorganization Agreement***"), providing, among other things, for (i) the execution and filing of this Merger Agreement and (ii) the merger of Merger Sub with and into the Company upon the terms set forth in the Reorganization Agreement and this Merger Agreement (the "***Merger***").

B. The respective Boards of Directors of each of the Constituent Corporations deem it advisable and in the best interests of each of such corporations and their respective shareholders that Merger Sub be merged with and into the Company, with the Company surviving the merger.

C. The shareholders of the Company have adopted and approved the Reorganization Agreement and approved the Merger pursuant to a written consent of the shareholders (the "***Shareholder Consent***") dated December 23, 2015.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual agreements contained in this Merger Agreement, the Constituent Corporations hereby agree that Merger Sub shall be merged with and into the Company in accordance with the provisions of the laws of the State of California, upon the terms and subject to the conditions set forth as follows:

ARTICLE I.

THE MERGER

Section 1.01 FILING. This Merger Agreement, together with the officers' certificates of each of the Constituent Corporations required by the General Corporation Law of the State of California (the "***California Law***"), shall be filed with the Secretary of State of the State of California at the time specified in the Reorganization Agreement.

Section 1.02 EFFECTIVENESS. The Merger shall become effective at the time this Merger Agreement is filed with and accepted by the Secretary of State of the State of California (the "***Effective Time***").

Section 1.03 MERGER. At the Effective Time, Merger Sub shall be merged into the Company and the separate corporate existence of Merger Sub shall thereupon cease. The Company shall be the Surviving Corporation in the Merger and the separate corporate existence of the Company, with all of its purposes, objects, rights, privileges, powers, immunities and franchises, shall continue unaffected and unimpaired by the Merger.

Section 1.04 FURTHER ACTION. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Merger Agreement or to vest the Surviving Corporation with the full right, title and possession to all assets, property, rights, privileges, immunities, powers and franchises of either or both of the Constituent Corporations, the officers and directors of the Surviving Corporation are fully authorized in the name of either or both of the Constituent Corporations or otherwise to take all such action.

ARTICLE II.

CORPORATE GOVERNANCE MATTERS

Section 2.01 ARTICLES. From and after the Effective Time and until thereafter amended as provided by law, the Articles of Incorporation of the Surviving Corporation shall hereby be amended and restated in full as set forth in Exhibit A attached hereto.

ARTICLE III.

MANNER OF CONVERTING SHARES OF THE CONSTITUENT CORPORATIONS

Section 3.01 CONVERSION OF COMPANY CAPITAL STOCK. At the Effective Time, by virtue of the Merger and without any further action on the part of Terra Tech, Merger Sub, the Company or any shareholder of the Company:

(a) Each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

(b) Each of the shares of capital stock of the Company held by the Company in any form or otherwise owned by Terra Tech or Merger Sub immediately prior to the Effective Time, if any, shall be canceled and retired and shall cease to exist, and no payment or distribution shall be made or delivered with respect thereto.

(c) Subject to the provisions of the Reorganization Agreement, each of the shares of the Company's Common Stock (the "***Shares***") that is issued and outstanding immediately prior to the Effective Time will be automatically converted into the right to receive the securities (the "***Payment Securities***") and other consideration set forth on Exhibit B hereto.

(d) Any and all outstanding options, warrants and similar rights to purchase capital stock of Company that pursuant to their terms do not expressly require the assumption of the same in connection with the Merger shall be cancelled and shall cease to exist.

(e) No fraction of a share of Payment Securities will be issued by virtue of the Merger, and each former holder of Shares who would otherwise be entitled to a fraction of a share of Payment Securities (after aggregating all fractional shares of Payment Securities that otherwise would be received by such holder) shall, upon surrender of such holder's stock certificate(s), receive from Terra Tech an amount of cash in dollars (rounded to the nearest whole cent), without interest, less the amount of any withholding taxes with respect to the shares represented by such certificate which are required to be withheld with respect thereto, equal to the product of (i) such fraction, multiplied by (ii) $0.09740 (the "***Terra Tech Closing Price***"); provided, however, that, if the fraction of a share that any such holder would otherwise be entitled to receive in the Merger is less than one-half of 1 percent of the total number of shares of Payment Securities that person is otherwise entitled to receive, then the shares of Payment Securities issuable to the such holder in the Merger will be rounded off to the nearest whole share.

(f) The number of shares of Payment Securities shall be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Payment Securities or Shares), reorganization, recapitalization, reclassification or other like change with respect to Payment Securities occurring on or after the date of this Agreement and prior to the Effective Time.

Section 3.02 Dissenters' Rights.

(a) Notwithstanding any other provisions of this Agreement to the contrary, any Shares held by a holder who has not effectively withdrawn or lost such holder's dissenters' or similar rights under the Corporations Code (collectively, the "***Dissenting Shares***"), shall not be converted into or represent a right to receive Payment Securities, but the holder thereof shall only be entitled to such rights as are provided by Corporations Code.

(b) If any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's dissenters' or similar rights under the Corporations Code, then, as of the later of the Effective Time and the occurrence of such event, such holder's Shares shall automatically be converted into and represent only the right to receive the consideration for the Shares, as applicable, set forth in this Merger Agreement, without interest thereon, upon surrender of the certificate(s) representing such Shares.

Section 3.03 Exchange of Certificates.

(a) Promptly after the Effective Time, Terra Tech shall mail to each holder of record of a certificate or certificates ("***Certificates***") that immediately prior to the Effective Time represented outstanding Shares that were converted into the right to receive Payment Securities or cash in lieu of any fractional shares pursuant to this Agreement, (i) a letter of transmittal in customary form and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Payment Securities. Upon surrender of Certificates for cancellation to Terra Tech together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by Terra Tech (including any required Form W-9 or Form W-8), each holder of such Certificates shall be entitled to receive in exchange therefor (x) one or more certificates representing the number of whole shares of Payment Securities (after aggregating all Certificates surrendered by such holder) to which such holder is entitled pursuant to this Agreement, less the number of shares of Payment Securities to be deposited into escrow pursuant to the Reorganization Agreement and (y) a check in the amount of dollars in lieu of fractional shares that such holder has the right to receive pursuant to this Merger Agreement, and the Certificates so surrendered shall forthwith be canceled. Until so surrendered, outstanding Certificates will be deemed, from and after the Effective Time, for all corporate purposes, to evidence only the right to receive upon surrender thereof the number of whole shares of Payment Securities to which such holder is entitled pursuant to this Agreement and an amount in cash in lieu of the issuance of any fractional shares. No interest will be paid or accrued on any cash payable in lieu of fractional shares of Payment Securities. In the event of a transfer of ownership of Shares that was not registered in the transfer records of Company, a certificate representing the proper number of shares of Payment Securities and cash payable in lieu of fractional shares may be issued to such transferee if the Certificate representing such Shares is presented to Terra Tech and is accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid.

(b) No dividends or other distributions declared or made after the date hereof with respect to Payment Securities with a record date after the Effective Time will be paid to any holders of any unsurrendered Certificates with respect to the shares of Payment Securities represented thereby until the holder of record of any such Certificates shall surrender such Certificates. Subject to applicable law, following surrender of any such Certificates, Terra Tech shall deliver to the record holders thereof, without interest, (i) promptly after such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the whole shares of Payment Securities represented thereby, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date occurring after surrender, payable with respect to such whole shares of Payment Securities.

(c) In the event that any Certificates shall have been lost, stolen or destroyed prior to the Closing Date, Terra Tech shall issue and pay in exchange for such lost, stolen or destroyed Certificates, upon the receipt of an affidavit of that fact by the holder thereof (reasonably satisfactory to Terra Tech) and such other documents as Terra Tech may reasonably require, certificates representing the shares of Payment Securities into which the Shares represented by such Certificates were converted pursuant to this Agreement, cash for fractional shares, if any, as may be required pursuant hereto, and any dividends or distributions payable pursuant to Section 3.03(b).

(d) All shares of Payment Securities, cash in lieu of fractional shares of Payment Securities and dividends or other distributions with respect to Payment Securities issued in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares, and there shall be no further registration of transfers on the records of the Surviving Corporation of Shares that were outstanding immediately prior to the Effective Time.

(e) Notwithstanding anything to the contrary herein, neither Terra Tech, Company, the Surviving Corporation nor any party hereto shall be liable to a holder of Shares for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

ARTICLE IV.

TERMINATION AND AMENDMENT

Section 4.01 TERMINATION. Notwithstanding the approval of this Merger Agreement by the shareholders of Merger Sub and the Company, this Merger Agreement shall terminate forthwith in the event that the Reorganization Agreement shall be terminated as therein provided.

Section 4.02 AMENDMENT. This Merger Agreement may be amended by the parties hereto at any time before or after approval hereof by the shareholders of either Merger Sub or the Company; but, after any such approval, no amendment shall be made that, without the further approval of such shareholders, would (i) have a material adverse effect on the shareholders of either Merger Sub or the Company, (ii) change any of the principal terms of the Merger Agreement, or (iii) change any term of the Articles of Incorporation of the Surviving Corporation. This Merger Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

ARTICLE V.

MISCELLANEOUS

Section 5.01 HEADINGS. The headings contained in this Merger Agreement are for convenience of reference only, shall not be deemed to be a part of this Merger Agreement and shall not be referred to in connection with the construction or interpretation of this Merger Agreement.

Section 5.02 COUNTERPARTS. This Merger Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement

Section 5.03 GOVERNING LAW. This Merger Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of California (without giving effect to principles of conflicts of laws).

Section 5.04 CONSTRUCTION. For purposes of this Merger Agreement, whenever the context requires: the singular number shall include the plural, and vice versa. The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Merger Agreement. As used in this Merger Agreement, the words 'include' and 'including,' and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words 'without limitation.' Except as otherwise indicated, all references in this Merger Agreement to 'Sections' and 'Exhibits' are intended to refer to Sections of this Merger Agreement and Exhibits to this Merger Agreement.

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

BLACK OAK GALLERY

By: _____
Name: Salwa Ibrahim
Title: President

GENERIC MERGER SUB, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Articles of Incorporation of Surviving Corporation

(attached)

EXHIBIT B

Merger Consideration*

Each of the Shares held by the Group A Shareholders (as defined in the Reorganization Agreement), subject to the terms of the Reorganization Agreement, shall be converted into the right to receive:

435.9118 shares of Terra Tech Series B Preferred Stock

0.410935 shares of Terra Tech Series Z Preferred Stock

Each of the Shares held by the Group B Shareholders (as defined in the Reorganization Agreement), subject to the terms of the Reorganization Agreement, shall be converted into the right to receive:

1.07586251 shares of Terra Tech Series Q Preferred Stock

A contingent right to receive $104.99653783 in cash

* In accordance with Section 1101 of the California Corporations Code, the distribution of cash, rights, securities or other property set forth in this Exhibit B has been approved by all shareholders of the Company.

EXHIBIT 3.6

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
BLACK OAK GALLERY

ARTICLE I

The name of this corporation is Black Oak Gallery.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

This corporation is authorized to issue only one class of shares of stock, which shall be designated common stock, no par value per share; and the total number of shares that the corporation is authorized to issue is 100,000.

ARTICLE IV

(a) The liability of directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

(b) The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through Bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, to the fullest extent permissible under California law.

(c) Any amendment, repeal, or modification of any provision of this Article V shall not adversely affect any right or protection of agent of this corporation existing at the time of such amendment, repeal, or modification.

_____
_____, Secretary

EXHIBIT 4.2

AMENDED AND RESTATED
CERTIFICATE OF DESIGNATION
OF
SERIES B PREFERRED STOCK
OF
TERRA TECH CORP.

Terra Tech Corp. (the "Corporation"), a Nevada corporation, does hereby certify:

1. The name of the Corporation is Terra Tech Corp.

2. On February 28, 2012, the Corporation filed a Certificate of Designation of Series B Preferred Stock with the Secretary of State of the State of Nevada (the "Initial Series B Certificate"), which included an attachment setting forth the rights of the Series B Preferred Stockholders.

3. On April 23, 2013, the Corporation filed an Amendment to Certificate of Designation of Series B Preferred Stock with the Secretary of State of the State of Nevada (the "First Amendment," and, together with the Initial Series B Certificate, the "Series B Certificate").

4. The stockholders holding a majority of the currently issued and outstanding shares of Series B Preferred Stock have approved of the changes to the Series B Certificate as set forth in this Amended and Restated Certificate of Designation of Series B Preferred Stock of Terra Tech Corp. (the "Second Amendment") in accordance with the provisions of Section 78.207 of the Nevada Revised Statutes.

NOW, THEREFORE, BE IT RESOLVED, that, pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation by the provisions of the Corporation's Articles of Incorporation, as amended (the "Articles") and Section 78.207 of the Nevada Revised Statutes, the Series B Certificate be, and hereby is, amended, as follows:

Section 1. Designation and Amount. This series of Preferred Stock shall be comprised of Twenty-four Million Nine Hundred Sixty-Eight Thousand Eight Hundred (24,968,800) shares and shall be designated as "Series B Preferred Stock." As used herein, the term "Series B Preferred Stock" shall refer to shares of the Corporation's Series B Preferred Stock, and the term "Common Stock" shall refer to the Corporation's Common Stock, $0.001 par value per share. The Corporation shall from time to time in accordance with the laws of the State of Nevada increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the Series B Preferred Stock.

Section 2. Dividends. No dividends shall be paid on the Series B Preferred Stock.

Section 3. Liquidation Preference. In any liquidation or winding up of the Corporation, the holders of the Series B Preferred Stock shall be entitled to receive (a) in preference (but *pari passu* with the holders of the Corporation's Series Z Preferred Stock) to the holders of the Common Stock and the holders of the Corporation's Series Q Preferred Stock, but (b) subordinate in preference to any sum that the holders of the shares of the Corporation's Series A Preferred Stock shall be entitled, an amount equal to $0.005384325537 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). After payment of such sums, (i) the holders of the Series B Preferred Stock, (ii) the holders of the Series Z Preferred Stock on an as-converted basis assuming conversion of the Series Z Preferred Stock into Series B Preferred Stock, (iii) the holders of the Common Stock, and (iv) the holders of the Series Q Preferred Stock on an as-converted basis assuming conversion of the Series Q Preferred Stock into Common Stock, shall be entitled to receive any remaining assets of the Corporation on a pro rata, as-converted basis assuming conversion of the Series B Preferred Stock into Common Stock, the Series Z Preferred Stock into Series B Preferred Stock and then into Common Stock, and the Series Q Preferred Stock into Common Stock, all at the then-current conversion rates.

Section 4. Voting Rights. Except as expressly provided herein, or as provided by applicable law, the holders of the Series B Preferred Stock shall have the same voting rights as the holders of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and the holders of Common Stock and Series B Preferred Stock shall vote together as a single class on all matters. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held, and each holder of Series B Preferred Stock shall be entitled to that number of votes equal to one hundred (100) shares of Common Stock. Fractional votes shall not be permitted. Any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series B Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). In the event the Corporation shall at any time subdivide (by any stock split, stock dividend, or otherwise) its outstanding shares of Common Stock into a greater number of shares, the number of shares of Common Stock of which are equal in voting power to each share of Series B Preferred Stock, as in effect immediately prior to such subdivision, shall be proportionately increased.

Section 5. Conversion. The holders of the Series B Preferred Stock shall have the following conversion rights (the "Conversion Rights"):

(a) **Right to Convert**. From and after the day on which the Corporation receives payment in full for the Series B Preferred Stock from and issues shares of Series B Preferred Stock to a particular holder of Series B Preferred Stock (the "Issuance Date"), each one share of Series B Preferred Stock held by that holder shall be initially convertible at the option of the holder into 5.384325537 shares of Common Stock (such number of shares of Common Stock into which each share of Series B Preferred Stock is convertible, the initial "Conversion Rate"). For purposes of clarification, the initial Conversion Rate shall be the quotient obtained by dividing (i) 1.00 initially by (ii) 5.384325537. Such "initial quotient" is 0.185726703. The number of shares of Common Stock to be issued upon conversion of Series B Preferred Stock shall be determined by dividing the number of shares of Series B Preferred Stock to be converted by 0.185726703. The Conversion Rate shall be subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization as set forth herein. Accordingly, if the Conversion Rate has been adjusted, the then-current Conversion Rate shall be utilized in lieu of 0.185726703.

(b) **Method of Conversion**. In order to convert Series B Preferred Stock into shares of Common Stock, a holder of Series B Preferred Stock shall:

i. complete, execute, and deliver to the Corporation and the Corporation's transfer agent (the "Transfer Agent"), the conversion certificate attached hereto as Exhibit A (the "Notice of Conversion"), and

ii. surrender the certificate or certificates representing the Series B Preferred Stock being converted (the "Converted Certificate") to the Corporation.

The Notice of Conversion shall be effective and in full force and effect for a particular date if delivered to the Corporation and the Transfer Agent on that particular date prior to 5:00 p.m., Pacific Standard Time, by facsimile transmission or otherwise, provided, however, that if such particular date is a business day, and provided that the original Notice of Conversion and the Converted Certificate are delivered to and received by the Transfer Agent within three (3) business days thereafter at current business address of the Transfer Agent (each such date shall be referred to herein as the "Conversion Date"). The person or persons entitled to receive the shares of Common Stock to be issued upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the Conversion Date. If the original Notice of Conversion and the Converted Certificate are not delivered to and received by the Transfer Agent within three (3) business days following the Conversion Date, the Notice of Conversion shall become null and void as if it were never given and the Corporation shall, within two (2) business days thereafter, instruct the Transfer Agent to return to the holder by overnight courier any Converted Certificate that may have been submitted in connection with any such conversion. In the event that any Converted Certificate submitted represents a number of shares of Series B Preferred Stock that is greater than the number of such shares that is being converted pursuant to the Notice of Conversion delivered in connection therewith, the Transfer Agent shall advise the Corporation to deliver a certificate representing the remaining number of shares of Series B Preferred Stock not converted.

(c) **Legend**. Each certificate issued representing the shares of Common Stock issued upon a conversion shall bear a legend substantially in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(d) **Absolute Obligation to Issue Common Stock**. Upon receipt of a Notice of Conversion, the Corporation shall absolutely and unconditionally be obligated to cause a certificate or certificates representing the number of shares of Common Stock to which a converting holder of Series B Preferred Stock shall be entitled as provided herein, which shares shall constitute fully paid and non-assessable shares of Common Stock and shall be issued to, delivered by overnight courier to, and received by such holder by the fifth (5th) business day following the Conversion Date. Such delivery shall be made at such address as such holder may designate therefor in its Notice of Conversion or its written instructions submitted together therewith.

(e) **Minimum Conversion**. No less than fifty (50) shares of Series B Preferred Stock may be converted at any one time by a particular holder, unless the holder then holds less than 50 shares and converts all such shares held by it at that time.

(f) **Fractional Shares**. No fractional shares of Common Stock shall be issued upon conversion of the Series B Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall round the fraction to the next whole number of shares of Common Stock. Such number of whole shares of Common Stock to be issued upon the conversion of one share of Series B Preferred Stock shall be multiplied by the number of shares of Series B Preferred Stock submitted for conversion pursuant to the Notice of Conversion to determine the total number of shares of Common Stock to be issued in connection with any one particular conversion.

(g) **Costs**. The Corporation shall pay all documentary, stamp, transfer, or other transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of any shares of Series B Preferred Stock; provided, however, that the Corporation shall not be required to pay any taxes that may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such shares in a name other than that of the holder of the shares of Series B Preferred Stock in respect of which such shares are being issued.

(h) **Valid Issuance**. All shares of Common Stock that shall be issued upon conversion of shares of Series B Preferred Stock into shares of Common Stock will, upon issuance by the Corporation in accordance with this Certificate of Designation, be duly and validly issued, fully paid, and non-assessable and free from all taxes, liens, and charges with respect to the issuance thereof.

Section 6. Adjustments to Conversion Rate

(a) **Adjustments for Reverse Stock Splits and Combinations**. There shall be no adjustment to the Conversion Rate or the number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock with respect to any reverse stock split or combination.

(b) **Adjustments for Forward Stock Splits**. If the Corporation shall at any time or from time to time after the Issuance Date effect a subdivision of the outstanding Common Stock (also known as a forward stock split), the Conversion Rate (expressed as a quotient) in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of Series B Preferred Stock shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. Any adjustments under this Section 6(b) shall be effective at the close of business on the date the forward stock split becomes effective.

(c) **Adjustments for Certain Dividends and Distributions**. If the Corporation shall at any time or from time to time after the Issuance Date make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock, then, and in each event, the Conversion Rate (expressed as a quotient) shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Rate then in effect by a fraction:

i. the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

ii. the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

(d) **Adjustments for Other Dividends and Distributions**. If the Corporation shall at any time or from time to time after the Issuance Date make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then, and in each event, an appropriate revision to the applicable Conversion Rate shall be made and provision shall be made (by adjustments of the Conversion Rate or otherwise) so that the holders of Series B Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereon, the number of securities of the Corporation that they would have received had their Series B Preferred Stock been converted into Common Stock on the date of such event and had thereafter, during the period from the date of such event to and including the date the Series B Preferred Stock was converted, retained such securities (together with any distributions payable thereon during such period), giving application to all adjustments called for during such period under this Section 6(d) with respect to the rights of the holders of the Series B Preferred Stock; provided, however, that, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Rate shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and provided, further, however, that no such adjustment shall be made if the holders of Series B Preferred Stock simultaneously receive (i) a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series B Preferred Stock had been converted into Common Stock on the date of such event or (ii) a dividend or other distribution of shares of Series B Preferred Stock that are convertible, as of the date of such event, into such number of shares of Common Stock as is equal to the number of additional shares of Common Stock being issued with respect to each share of Common Stock in such dividend or distribution.

(e) **Adjustments for Reclassification, Exchange, and Substitution**. If the Common Stock issuable upon conversion of the Series B Preferred Stock at any time or from time to time after the Issuance Date shall be changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution, or otherwise (other than by way of a forward stock split of shares or stock dividends provided for in Sections 6(b), (c), and (d)), then, and in each event, an appropriate adjustment to the Conversion Rate shall be made and provisions shall be made (by adjustments of the Conversion Rate or otherwise) so that the holder of each share of Series B Preferred Stock shall have the right thereafter to convert such share of Series B Preferred Stock into the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution, or other change, by holders of the number of shares of Common Stock into which such shares of Series B Preferred Stock might have been converted immediately prior to such reclassification, exchange, substitution, or other change, all subject to further adjustment as provided herein.

(f) **Adjustment for Reorganizations, Mergers, Consolidations, or Sales of Assets**. If at any time or from time to time there shall be a capital reorganization of the Corporation (other than by way of a forward stock split of shares or stock dividends or distributions provided for in Sections 6(b), (c), and (d), or a reclassification, exchange, or substitution of shares provided for in Section 6(e)), or a merger or consolidation of the Corporation with or into another entity where the holders of the outstanding voting securities prior to such merger or consolidation do not own more than 50% of the outstanding voting securities of the merged or consolidated entity, immediately after such merger or consolidation, or the sale of all or substantially all of the Corporation's properties or assets to any other person (each an "Organic Change"), then as a part of such Organic Change an appropriate revision to the Conversion Rate shall be made if necessary and provision shall be made if necessary (by adjustments of the Conversion Rate or otherwise) so that the holder of each share of Series B Preferred Stock shall have the right thereafter to convert such share of Series B Preferred Stock into the kind and amount of shares of stock and other securities or property of the Corporation or any successor corporation resulting from such Organic Change. In any such case, appropriate adjustment shall be made in the application of the provision of this Section 6(f) with respect to the rights of the holders of the Series B Preferred Stock after such Organic Change to the end that the provisions of this Section 6(f) (including any adjustment in the Conversion Rate then in effect and the number of shares of stock or other securities deliverable upon conversion of the Series B Preferred Stock) shall be applied after that event in as nearly an equivalent manner as may be practicable.

(g) **No Impairment**. The Corporation shall not, by amendment of its Articles of Incorporation or this Certificate of Designation, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Section 6 and in the taking of all such action as may be necessary or appropriate in order to provide the Conversion Rights of the holders of the Series B Preferred Stock against impairment. In the event a holder shall elect to convert any shares of Series B Preferred Stock as provided herein, the Corporation cannot refuse conversion based on any claim that such holder or any one associated or affiliated with such holder has been engaged in any violation of law, unless (i) an order from the Securities and Exchange Commission prohibiting such conversion shall have been issued or (ii) an injunction from a court, on notice, restraining and/or enjoining conversion of all or of said shares of Series B Preferred Stock shall have been issued and the Corporation posts a surety bond for the benefit of such holder in an amount equal to 120% of the liquidation preference amount of the Series B Preferred Stock such holder has elected to convert, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such holder in the event it obtains judgment.

(h) **Certificates as to Adjustments**. Upon occurrence of each adjustment or readjustment of the Conversion Rate pursuant to this Section 6, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such Series B Preferred Stock a certificate setting forth such adjustment and readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request of the holder of such affected Series B Preferred Stock, at any time, furnish or cause to be furnished to such holder a like certificate setting forth such adjustments and readjustments, the Conversion Rate in effect at the time, and the number of shares of Common Stock and the amount, if any, of other securities or property that at the time would be received upon the conversion of a share of such Series B Preferred Stock. Notwithstanding the foregoing, the Corporation shall not be obligated to deliver a certificate unless such certificate would reflect an increase or decrease of at least one percent of the Conversion Rate in effect immediately prior to such adjustment.

Section 7. Reservation of Stock to be Issued Upon Conversion The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series B Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient, based on the Conversion Rate then in effect, to effect the conversion of all the then outstanding shares of Series B Preferred Stock, which shall also include all shares of Series B Preferred Stock issuable upon conversion of the then outstanding shares of Series Z Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all the then outstanding shares of Series B Preferred Stock and the then outstanding shares of Series Z Preferred Stock, which are convertible into Series B Preferred Stock and then into shares of Common Stock, then, in addition to all rights, claims, and damages to which the holder of the Series B Preferred Stock shall be entitled to receive at law or in equity as a result of such failure by the Corporation to fulfill its obligations to the holders hereunder, the Corporation shall take any and all corporate or other action as may, in the opinion of its counsel, be helpful, appropriate, or necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

Section 8. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile or e-mail or three (3) business days following being mailed by certified or registered mail, postage prepaid, return-receipt requested, addressed to the holder of record at its address appearing on the books of the Corporation. The Corporation shall give written notice to each holder of Series B Preferred Stock at least twenty (20) days prior to the date on which the Corporation closes its books or takes a record (i) with respect to any dividend or distribution upon the Common Stock or (ii) for determining rights to vote with respect to any Organic Change, dissolution, liquidation, or winding-up and in no event shall such notice be provided to such holder prior to such information being made known to the public.

EXHIBIT A

CONVERSION CERTIFICATE

TERRA TECH CORP.

Series B Preferred Stock

The undersigned holder (the "Holder") is surrendering to Terra Tech Corp., a Nevada Corporation (the "Corporation"), one or more of the Holder's certificates that, immediately prior to the Conversion (as defined in the Certificate of Designation of the Series B Preferred Stock (the "Certificate of Designation")), represented shares of Series B Preferred Stock of the Corporation (the "Series B Preferred Stock") in connection with the conversion of all or a portion of such Series B Preferred Stock owned of record and beneficially by the Holder as of the Conversion Date (as defined in the Certificate of Designation) into that number of shares of Common Stock, $0.001 per value per share, of the Corporation (the "Common Stock") as set forth below.

1. The Holder understands that the Series B Preferred Stock was issued by the Corporation pursuant to the exemption from registration under the Securities Act of 1933, as amended (the "SecuritiesAct"), provided by Section 4(a)(2) of the Securities Act or by Rule 506 of Regulation D, promulgated thereunder.

2. The Holder represents and warrants that the exchange of the Common Stock for the Series B Preferred Stock in favor of the Holder upon the Conversion shall be made pursuant to an exemption from registration under the Securities Act.

Number of Shares of Series B Preferred Stock Being Converted: _____

Number of Shares of Common Stock to be Issued: _____

Conversion Date: _____

Delivery Instructions for Certificates of Common Stock and for new certificates representing any remaining shares of Series B Preferred Stock: _____
_____.

Name of Holder, Printed:_____

Signature of Holder: _____

Telephone Number of Holder:_____

[***remainder of page intentionally left blank]***

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Designation of Series B Preferred Stock to be duly executed on and as of March 25, 2016.

TERRA TECH CORP.

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

EXHIBIT 4.6

CERTIFICATE OF DESIGNATION
OF
SERIES Q PREFERRED STOCK
OF
TERRA TECH CORP.

Terra Tech Corp. (the "*Corporation*"), a Nevada corporation, does hereby certify that, pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the provisions of Section 78.1955 of the Nevada Revised Statutes, its Board of Directors has adopted the following resolution creating the following series of the Corporation's Preferred Stock and determined the voting powers, designations, powers, preferences and relative, participating, optional, or other special rights, and the qualifications, limitations, and restrictions thereof, of such series:

RESOLVED, that, pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, as amended (the "*Articles of Incorporation*"), there is hereby created the following series of Preferred Stock:

21,600 shares shall be designated Series Q Preferred Stock, par value $0.001 per share (the "*Series Q Preferred Stock*").

The designations, powers, preferences, and rights, and the qualifications, limitations, and restrictions of the Series Q Preferred Stock in addition to those set forth in the Articles of Incorporation shall be as follows:

Section 1. Designation and Amount. The series of Preferred Stock shall be comprised of 21,600 shares and shall be designated "Series Q Convertible Preferred Stock." As used herein, the term "Series *Q Preferred Stock*" shall refer to shares of the Corporation's Series Q Convertible Preferred Stock, and the term "*Common Stock*" shall refer to the Corporation's Common Stock. The Corporation shall from time to time in accordance with the laws of the State of Nevada increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the Series Q Preferred Stock.

Section 2. Dividends. No dividends shall be paid on the Series Q Preferred Stock.

Section 3. Liquidation Preference. In any liquidation, dissolution, or winding up of the Corporation, the holders of the Series Q Preferred Stock shall be entitled to receive (a) in preference to the holders of the Common Stock, but (b) subordinate in preference to any sum that the holders of any shares of any other series of the Corporation's Preferred Stock shall be entitled, an amount equal to $0.001 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). After payment of such sums, (i) the holders of the Series Q Preferred Stock and (ii) the holders of the Common Stock, shall be entitled to receive any remaining assets of the Corporation on a pro rata, as-converted basis assuming conversion of the Series Q Preferred Stock into Common Stock at the then-current Conversion Rate.

Section 4. Voting Rights. Except as expressly provided herein, or as provided by applicable law, the holders of the Series Q Preferred Stock shall have the same voting rights as the holders of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation, and the holders of Common Stock and Series Q Preferred Stock shall vote together as a single class on all matters. Each holder of Series Q Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series Q Preferred Stock could then be converted. Fractional votes shall not be permitted. Any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series Q Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

Section 5. Conversion. The holders of the Series Q Preferred Stock shall have the following conversion rights (the "*Conversion Rights*"):

(a) *Mandatory Conversion*; *Conversion Date.* Concurrently with and subject to the Corporation's filing an amendment to the Articles of Incorporation with the Secretary of State of the State of Nevada to increase the number of authorized shares of Common Stock to not less than nine hundred fifty million (950,000,000) shares of Common Stock (the "*Conversion Date*"), all then-outstanding shares of Series Q Preferred Stock shall automatically convert, without any action required on behalf of the holders thereof, on the Conversion Date into fully paid and non-assessable shares of the Corporation's Common Stock at the Conversion Rate (as defined below). The "Conversion" shall be deemed effective as of the Conversion Date.

(b) *Conversion Rate*. As of the date of filing of this Certificate with the Secretary of State of the State of Nevada, each one share of Series Q Preferred Stock held by that holder shall be initially convertible at the option of the holder into 5,000 shares of the Corporation's Common Stock (such number of shares of Common Stock into which each share of Series Q Preferred Stock is convertible, the initial "*Conversion Rate*"). For purposes of clarification, the initial Conversion Rate shall be the quotient obtained by dividing (i) 1.00 initially by (ii) 5,000. Such "initial quotient" is 0.0002. The number of shares of Common Stock shall be determined by dividing the number of shares of Series Q Preferred Stock to be converted by 0.0002. The Conversion Rate shall be subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization as set forth herein. Accordingly, if the Conversion Rate has been adjusted, the then-current Conversion Rate shall be utilized in lieu of 0.0002.

(c) Mechanics of Exchange of Certificates That Formerly Represented Shares of Series Q Preferred Stock for Certificates That Represent Shares of Common Stock.

(1) The Corporation shall, promptly following the Conversion Date, send or cause to be sent a written notice to each holder of Series Q Preferred Stock notifying such holder of the conversion thereof. Within 15 days of receiving written notice from the Corporation of the Conversion, the holder shall surrender the certificate or certificates that, immediately prior to the Conversion, represented the Series Q Preferred Stock so converted, duly endorsed to the Corporation or in blank, to the Corporation at its principal office (or at such other office as the Corporation may designate by written notice, postage prepaid, to all holders) at any time during its usual business hours, together with a statement of the name or names (with addresses) of the person or persons in whose name the certificate or certificates for Common Stock shall be issued. The certificate or certificates that, immediately prior to the Conversion, represented the Series Q Preferred Stock so converted shall also be accompanied by a duly executed Conversion Certificate substantially in the form attached hereto as Exhibit A.

(2) Promptly after surrender of the certificate or certificates that, immediately prior to the Conversion, represented the share or shares of Series Q Preferred Stock so converted, the Corporation shall cause to be issued and delivered to said holder, registered in such name or names as such holder may direct, a certificate or certificates for the number of shares of Common Stock issuable upon the Conversion of such share or shares of Series Q Preferred Stock. Each certificate issued representing the shares of Common Stock issued upon the Conversion shall bear a legend substantially in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(3) *Conversion Rate Adjustment for Stock Dividends, Subdivisions, Reclassification, or Combinations*. If, any time prior to the Conversion Date, the Corporation shall (i) declare a dividend or make a distribution on its Common Stock in shares of its Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Conversion Rate (expressed as a quotient) in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination, or reclassification shall be proportionately adjusted such that the holder of any shares of Series Q Preferred Stock converted in the manner set forth in Section 5(a) shall be entitled to receive the number of shares of Common Stock that such holder would have owned or been entitled to receive had such Series Q Preferred Stock been converted immediately prior to such date. Successive adjustments in the then Conversion Rate (expressed as a quotient) shall be made whenever any event specified above shall occur.

(d) *Fractional Shares*. No fractional shares of Common Stock shall be issued upon conversion of the Series Q Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall round the fraction to the next whole number of shares of Common Stock.

(e) *Costs*. The Corporation shall pay all documentary, stamp, transfer, or other transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of any shares of Series Q Preferred Stock; *provided, however*, that the Corporation shall not be required to pay any taxes that may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such shares in a name other than that of the holder of the shares of Series Q Preferred Stock in respect of which such shares are being issued.

(f) *Valid Issuance*. All shares of Common Stock that shall be issued upon conversion of shares of Series Q Preferred Stock into shares of Common Stock will, upon issuance by the Corporation in accordance with this Certificate of Designation, be duly and validly issued, fully paid, and non-assessable and free from all taxes, liens, and charges with respect to the issuance thereof.

Section 6. Notices. Any notice required or permitted by the provisions of this Certificate of Designation to be given to a holder of shares of Series Q Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the Nevada General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

EXHIBIT A
CONVERSION CERTIFICATE

TERRA TECH CORP.
Series Q Preferred Stock

The undersigned holder (the "*Holder*") is surrendering to Terra Tech Corp., a Nevada Corporation (the "*Corporation*"), all of the Holder's certificates that, immediately prior to the Conversion (as defined in the Certificate of Designation of the Series Q Preferred Stock (the "*Certificate of Designation*")), represented shares of Series Q Preferred Stock of the Corporation (the "*Series Q Preferred Stock*") in connection with the conversion of all of such Series Q Preferred Stock owned of record and beneficially by the Holder as of the Conversion Date (as defined in the Certificate of Designation) into that number of shares of Common Stock, $0.001 par value per share, of the Corporation (the "*Common Stock*") as set forth below.

1. The Holder understands that the Series Q Preferred Stock was issued by the Corporation pursuant to the exemption from registration under the Securities Act of 1933, as amended (the "*Securities Act*"), provided by Section 4(a)(2) of the Securities Act or by Rule 506 of Regulation D, promulgated thereunder.

2. The Holder understands that the exchange of the Common Stock for the Series Q Preferred Stock in favor of the Holder upon the Conversion shall be made pursuant to an exemption from registration under the Securities Act.

Number of Shares of Series Q Preferred Stock Being Converted: _____

Number of Shares of Common Stock to be Issued: _____

Conversion Date: _____

Delivery Instructions for Certificates of Common Stock: _____

Name of Holder, Printed:_____

Signature of Holder: _____

Telephone Number of Holder:_____

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation of Series Q Preferred Stock to be duly executed on and as of March 25, 2016.

TERRA TECH CORP.

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

EXHIBIT 4.7

CERTIFICATE OF DESIGNATION
OF
SERIES Z PREFERRED STOCK
OF
TERRA TECH CORP.

Terra Tech Corp. (the "*Corporation*"), a Nevada corporation, does hereby certify that, pursuant to the authority contained in its Articles of Incorporation, as amended, and in accordance with the provisions of Section 78.1955 of the Nevada Revised Statutes, its Board of Directors has adopted the following resolution creating the following series of the Corporation's Preferred Stock and determined the voting powers, designations, powers, preferences and relative, participating, optional, or other special rights, and the qualifications, limitations, and restrictions thereof, of such series:

RESOLVED, that, pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, as amended (the "*Articles of Incorporation*"), there is hereby created the following series of Preferred Stock:

8,300 shares shall be designated Series Z Preferred Stock, par value $0.001 per share (the "*Series Z Preferred Stock*").

The designations, powers, preferences, and rights, and the qualifications, limitations, and restrictions of the Series Z Preferred Stock in addition to those set forth in the Articles of Incorporation shall be as follows:

Section 1. Designation and Amount. The series of Preferred Stock shall be comprised of 8,300 shares and shall be designated "Series Z Convertible Preferred Stock." As used herein, the term "*Series Z Preferred Stock*" shall refer to shares of the Corporation's Series Z Convertible Preferred Stock, and the term "*Common Stock*" shall refer to the Corporation's Common Stock. The Corporation shall from time to time in accordance with the laws of the State of Nevada increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the Series Z Preferred Stock.

Section 2. Liquidation Preference. In any liquidation or winding up of the Corporation, the holders of the Series Z Preferred Stock shall be entitled to receive (a) in preference (but *pari passu* with the holders of the Corporation's Series B Preferred Stock) to the holders of the Common Stock and the holders of the Corporation's Series Q Preferred Stock, but (b) subordinate in preference to any sum that the holders of the shares of the Corporation's Series A Preferred Stock shall be entitled, an amount equal to $ 10.00 per share (subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization). After payment of such sums, (i) the holders of the Series Z Preferred Stock, (ii) the holders of the Common Stock, (iii) the holders of the Series B Preferred Stock on an as-converted basis assuming conversion of the Series B Preferred Stock into Common Stock, and (iv) the holders of the Series Q Preferred Stock on an as-converted basis assuming conversion of the Series Q Preferred Stock into Common Stock, shall be entitled to receive any remaining assets of the Corporation on a pro rata, as-converted basis assuming conversion of the Series Z Preferred Stock into Series B Preferred Stock and then into Common Stock, the Series B Preferred Stock into Common Stock, and the Series Q Preferred Stock into Common Stock, all at the then-current conversion rates.

Section 3. Voting Rights. Except as otherwise expressly provided or required by law, the Series Z Preferred Stock shall vote or act by written consent together with the Common Stock and not as a separate class. Each share of the Series Z Preferred Stock shall have that number of votes equal to one hundred (100) shares of the Common Stock at any special or annual meeting of the stockholders of the Corporation and in any act by written consent in lieu of any special or annual meeting of the stockholders of the Corporation. In the case the Corporation shall at any time subdivide (by any stock split, stock dividend, or otherwise) its outstanding shares of Common Stock into a greater number of shares, the number of shares of the Common Stock of which are equal in voting power to each share of Series Z Preferred Stock, as in effect immediately prior to such subdivision, shall be proportionately increased.

Section 4. Conversion. The holders of the Series Z Preferred Stock shall have the following conversion rights (the "*Conversion Rights*"):

(a) *Mandatory Conversion; Conversion Date.* Concurrently with and subject to the Corporation's filing an amendment to the Articles of Incorporation with the Secretary of State of the State of Nevada to increase the number of authorized shares of Series B Preferred Stock to not less than forty-five million (45,000,000) shares of Series B Preferred Stock (the "*Conversion Date*"), all then-outstanding shares of Series Z Preferred Stock shall automatically convert, without any action required on behalf of the holders thereof, on the Conversion Date into fully paid and non-assessable shares of the Corporation's Series B Preferred Stock at the Conversion Rate (as defined below). The "Conversion" shall be deemed effective as of the Conversion Date.

(b) *Conversion Rate.* As of the date of filing of this Certificate with the Secretary of State of the State of Nevada, each one share of Series Z Preferred Stock held by that holder shall be initially convertible at the option of the holder into 1,857 shares of the Corporation's Series B Preferred Stock (such number of shares of Series B Preferred Stock into which each share of Series Z Preferred Stock is convertible, the initial "*Conversion Rate*"). For purposes of clarification, the initial Conversion Rate shall be the quotient obtained by dividing (i) 1.00 initially by (ii) 1,857. Such "initial quotient" is 0.000538503. The number of shares of Series B Preferred Stock shall be determined by dividing the number of shares of Series Z Preferred Stock to be converted by 0.000538503. The Conversion Rate shall be subject to appropriate adjustment in the event of any stock dividend, forward stock split, or other similar recapitalization as set forth herein. Accordingly, if the Conversion Rate has been adjusted, the then-current Conversion Rate shall be utilized in lieu of 0.000538503.

(c) Mechanics of Exchange of Certificates That Formerly Represented Shares of Series Z Preferred Stock for Certificates That Represent Shares of Series B Preferred Stock.

(1) The Corporation shall, promptly following the Conversion Date, send or cause to be sent a written notice to each holder of Series Z Preferred Stock notifying such holder of the conversion thereof. Within 15 days of receiving written notice from the Corporation of the Conversion, the holder shall surrender the certificate or certificates that, immediately prior to the Conversion, represented the Series Z Preferred Stock so converted, duly endorsed to the Corporation or in blank, to the Corporation at its principal office (or at such other office as the Corporation may designate by written notice, postage prepaid, to all holders) at any time during its usual business hours, together with a statement of the name or names (with addresses) of the person or persons in whose name the certificate or certificates for Series B Preferred Stock shall be issued. The certificate or certificates that, immediately prior to the Conversion, represented the Series Z Preferred Stock so converted shall also be accompanied by a duly executed Conversion Certificate substantially in the form attached hereto as Exhibit A.

(2) Promptly after surrender of the certificate or certificates that, immediately prior to the Conversion, represented the share or shares of Series Z Preferred Stock so converted, the Corporation shall cause to be issued and delivered to said holder, registered in such name or names as such holder may direct, a certificate or certificates for the number of shares of Series B Preferred Stock issuable upon the Conversion of such share or shares of Series Z Preferred Stock. Each certificate issued representing the shares of Series B Preferred Stock issued upon the Conversion shall bear a legend substantially in the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(d) *Fractional Shares*. No fractional shares of Series B Preferred Stock shall be issued upon conversion of the Series Z Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall round the fraction to the next whole number of shares of Series B Preferred Stock.

(e) *Costs*. The Corporation shall pay all documentary, stamp, transfer, or other transactional taxes attributable to the issuance or delivery of shares of Series B Preferred Stock upon conversion of any shares of Series Z Preferred Stock; *provided*, *however,* that the Corporation shall not be required to pay any taxes that may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such shares in a name other than that of the holder of the shares of Series Z Preferred Stock in respect of which such shares are being issued.

(f) *Valid Issuance.* All shares of Series B Preferred Stock that shall be issued upon conversion of shares of Series Z Preferred Stock into shares of Series B Preferred Stock will, upon issuance by the Corporation in accordance with this Certificate of Designation, be duly and validly issued, fully paid, and non-assessable and free from all taxes, liens, and charges with respect to the issuance thereof.

Section 5. Adjustments to Conversion Rate

(a) *Adjustments for Reverse Stock Splits and Combinations.* There shall be no adjustment to the Conversion Rate or the number of shares of Series B Preferred Stock issuable upon conversion of the Series Z Preferred Stock with respect to any reverse stock split or combination.

(b) *Adjustments for Forward Stock Splits.* If the Corporation shall at any time or from time to time after the Issuance Date effect a subdivision of the outstanding Series B Preferred Stock (also known as a forward stock split), the Conversion Rate (expressed as a quotient) in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Series B Preferred Stock issuable on conversion of each share of Series Z Preferred Stock shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. Any adjustments under this Section 5(b) shall be effective at the close of business on the date the forward stock split becomes effective.

(c) *Adjustments for Certain Dividends and Distributions.* If the Corporation shall at any time or from time to time after the Issuance Date make or issue or set a record date for the determination of holders of Series B Preferred Stock entitled to receive a dividend or other distribution payable in shares of Series B Preferred Stock, then, and in each event, the Conversion Rate (expressed as a quotient) shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Rate then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Series B Preferred Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

(2) the denominator of which shall be the total number of shares of Series B Preferred Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Series B Preferred Stock issuable in payment of such dividend or distribution.

(d) *Adjustments for Other Dividends and Distributions.* If the Corporation shall at any time or from time to time after the Issuance Date make or issue or set a record date for the determination of holders of Series B Preferred Stock entitled to receive a dividend or other distribution payable in securities of the Corporation other than shares of Series B Preferred Stock, then, and in each event, an appropriate revision to the applicable Conversion Rate shall be made and provision shall be made (by adjustments of the Conversion Rate or otherwise) so that the holders of Series Z Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Series B Preferred Stock receivable thereon, the number of securities of the Corporation that they would have received had their Series Z Preferred Stock been converted into Series B Preferred Stock on the date of such event and had thereafter, during the period from the date of such event to and including the date the Series Z Preferred Stock was converted, retained such securities (together with any distributions payable thereon during such period), giving application to all adjustments called for during such period under this Section 5(d) with respect to the rights of the holders of the Series Z Preferred Stock; *provided*, *however,* that, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Rate shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and *provided, further, however*, that no such adjustment shall be made if the holders of Series Z Preferred Stock simultaneously receive (i) a dividend or other distribution of shares of Series B Preferred Stock in a number equal to the number of shares of Series B Preferred Stock as they would have received if all outstanding shares of Series Z Preferred Stock had been converted into Series B Preferred Stock on the date of such event or (ii) a dividend or other distribution of shares of Series Z Preferred Stock that are convertible, as of the date of such event, into such number of shares of Series B Preferred Stock as is equal to the number of additional shares of Series B Preferred Stock being issued with respect to each share of Series B Preferred Stock in such dividend or distribution.

(e) *Adjustments for Reclassification, Exchange, and Substitution.*If the Series B Preferred Stock issuable upon conversion of the Series Z Preferred Stock at any time or from time to time after the Issuance Date shall be changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution, or otherwise (other than by way of a forward stock split of shares or stock dividends provided for in Sections 5(b), (c), and (d)), then, and in each event, an appropriate adjustment to the Conversion Rate shall be made and provisions shall be made (by adjustments of the Conversion Rate or otherwise) so that the holder of each share of Series Z Preferred Stock shall have the right thereafter to convert such share of Series Z Preferred Stock into the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution, or other change, by holders of the number of shares of Series B Preferred Stock into which such shares of Series Z Preferred Stock might have been converted immediately prior to such reclassification, exchange, substitution, or other change, all subject to further adjustment as provided herein.

(f) *Adjustment for Reorganizations, Mergers, Consolidations, or Sales of Assets.* If at any time or from time to time there shall be a capital reorganization of the Corporation (other than by way of a forward stock split of shares or stock dividends or distributions provided for in Sections 5(b), (c), and (d), or a reclassification, exchange, or substitution of shares provided for in Section5(e)), or a merger or consolidation of the Corporation with or into another entity where the holders of the outstanding voting securities prior to such merger or consolidation do not own more than 50% of the outstanding voting securities of the merged or consolidated entity, immediately after such merger or consolidation, or the sale of all or substantially all of the Corporation's properties or assets to any other person (each an "*Organic Change*"), then as a part of such Organic Change an appropriate revision to the Conversion Rate shall be made if necessary and provision shall be made if necessary (by adjustments of the Conversion Rate or otherwise) so that the holder of each share of Series Z Preferred Stock shall have the right thereafter to convert such share of Series Z Preferred Stock into the kind and amount of shares of stock and other securities or property of the Corporation or any successor corporation resulting from such Organic Change. In any such case, appropriate adjustment shall be made in the application of the provision of this Section 5(f) with respect to the rights of the holders of the Series Z Preferred Stock after such Organic Change to the end that the provisions of this Section 5(f) (including any adjustment in the Conversion Rate then in effect and the number of shares of stock or other securities deliverable upon conversion of the Series Z Preferred Stock) shall be applied after that event in as nearly an equivalent manner as may be practicable.

(g) *No Impairment*.The Corporation shall not, by amendment of its Articles of Incorporation or this Certificate of Designation, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to provide the Conversion Rights of the holders of the Series Z Preferred Stock against impairment.In the event a holder shall elect to convert any shares of Series Z Preferred Stock as provided herein, the Corporation cannot refuse conversion based on any claim that such holder or any one associated or affiliated with such holder has been engaged in any violation of law, unless (i) an order from the Securities and Exchange Commission prohibiting such conversion shall have been issued or (ii) an injunction from a court, on notice, restraining and/or enjoining conversion of all or of said shares of Series Z Preferred Stock shall have been issued and the Corporation posts a surety bond for the benefit of such holder in an amount equal to 120% of the liquidation preference amount of the Series Z Preferred Stock such holder has elected to convert, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such holder in the event it obtains judgment**.**

(h) *Certificates as to Adjustments.* Upon occurrence of each adjustment or readjustment of the Conversion Rate pursuant to this Section 5, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such Series Z Preferred Stock a certificate setting forth such adjustment and readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request of the holder of such affected Series Z Preferred Stock, at any time, furnish or cause to be furnished to such holder a like certificate setting forth such adjustments and readjustments, the Conversion Rate in effect at the time, and the number of shares of Series B Preferred Stock and the amount, if any, of other securities or property that at the time would be received upon the conversion of a share of such Series Z Preferred Stock. Notwithstanding the foregoing, the Corporation shall not be obligated to deliver a certificate unless such certificate would reflect an increase or decrease of at least one percent of the Conversion Rate in effect immediately prior to such adjustment.

Section 6. Reservation of Stock to be Issued upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Series B Preferred Stock and shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series Z Preferred Stock, such number of its shares of Series B Preferred Stock and shares of Common Stock as shall from time to time be sufficient, based on the Conversion Rate then in effect, to effect the conversion of all the then-outstanding shares of Series Z Preferred Stock into Series B Preferred Stock and then into Common Stock. If at any time the number of authorized but unissued shares of Series B Preferred Stock shall not be sufficient to effect the conversion of all the then-outstanding shares of Series Z Preferred Stock or the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all the then-outstanding shares of Series B Preferred Stock, then, in addition to all rights, claims, and damages to which the holder of the Series Z Preferred Stock shall be entitled to receive at law or in equity as a result of such failure by the Corporation to fulfill its obligations to the holders hereunder, the Corporation shall take any and all corporate or other action as may, in the opinion of its counsel, be helpful, appropriate, or necessary to increase its authorized but unissued shares of Series B Preferred Stock or shares of Common Stock to such number of shares as shall be sufficient for such purpose, as the case may be.

Section 7. Notices.

(a) In the event of the establishment by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any distribution, the Corporation shall mail to each holder of Series Z Preferred Stock at least twenty (20) days prior to the date specified therein a notice specifying the date on which any such record is to be taken for the purpose of such distribution and the amount and character of such distribution.

(b) Any notices required by the provisions hereof to be given to the holders of shares of Series Z Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid and return receipt requested, and addressed to each holder of record at its address appearing on the books of the Corporation or to such other address of such holder or its representative as such holder may direct.

EXHIBIT A

CONVERSION CERTIFICATE

TERRA TECH CORP.

Series Z Preferred Stock

The undersigned holder (the "*Holder*") is surrendering to Terra Tech Corp., a Nevada Corporation (the "*Corporation*"), all of the Holder's certificates that, immediately prior to the Conversion (as defined in the Certificate of Designation of the Series Z Preferred Stock (the "*Certificate of Designation*")), represented shares of Series Z Preferred Stock of the Corporation (the "*Series Z Preferred Stock*") in connection with the conversion of all of such Series Z Preferred Stock owned of record and beneficially by the Holder as of the Conversion Date (as defined in the Certificate of Designation) into that number of shares of Series B Preferred Stock of the Corporation, as set forth below.

1. The Holder understands that the Series Z Preferred Stock was issued by the Corporation pursuant to the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(a)(2) of the Securities Act or by Rule 506 of Regulation D, promulgated thereunder.

2. The Holder understands that the exchange of the Series B Preferred Stock for the Series Z Preferred Stock in favor of the Holder upon the Conversion shall be made pursuant to an exemption from registration under the Securities Act.

Number of Shares of Series Z Preferred Stock Being Converted: _____

Number of Shares of Series B Preferred Stock to be Issued: _____

Conversion Date: _____

Delivery Instructions for Certificates of Series B Preferred Stock: _____

Name of Holder, Printed: _____

Signature of Holder: _____

Telephone Number of Holder:_____

[***remainder of page intentionally left blank]***

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation of Series Z Preferred Stock to be duly executed on and as of March 25, 2016.

TERRA TECH CORP.

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: **[_____]**

Original Conversion Price (subject to adjustment herein): 75% of the lowest daily VWAP of the Common Stock in the twenty (20) Trading Days prior to the Conversion Date.

Principal Amount: $[_____]

FORM OF 12% CONVERTIBLE PROMISSORY NOTE
DUE [_____]

THIS 12% CONVERTIBLE PROMISSORY NOTE is one of a series of duly authorized and validly issued 12% Convertible Promissory Notes of Terra Tech Corp, a Nevada corporation, (the "Company"), having its principal place of business at 18101 Von Karman, 3rd Floor, Irvine, CA 92612, designated as its 12% Convertible Promissory Note due [_____] (this Note, the "Note" and, collectively with the other Notes of such series, the "Notes").

FOR VALUE RECEIVED, the Company promises to pay to [_____] or its registered assigns (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of $[_____] on [_____] (the "Maturity Date") or such earlier date as this Note is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note in accordance with the provisions hereof. This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement and (b) the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 5(e).

"Alternate Conversion Price" means 60% of the lowest VWAP during the 30 Trading Day-period immediately prior to the applicable Conversion Date.

"Bankruptcy Event" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof, (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment, (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors, (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Base Conversion Price" shall have the meaning set forth in Section 5(b).

"Beneficial Ownership Limitation" shall have the meaning set forth in Section 4(e).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Buy-In" shall have the meaning set forth in Section 4(d)(v).

"Change of Control Transaction" means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 33% of the voting securities of the Company (other than by means of conversion or exercise of the Notes and the Securities issued together with the Notes), (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 66% of the aggregate voting power of the Company or the successor entity of such transaction, (c) the Company sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than 66% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a three year period of more than one-half of the members of the Board of Directors which is not approved by a majority of those individuals who are members of the Board of Directors on the Original Issue Date (or by those individuals who are serving as members of the Board of Directors on any date whose nomination to the Board of Directors was approved by a majority of the members of the Board of Directors who are members on the date hereof), or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (d) above.

"Conversion" shall have the meaning ascribed to such term in Section 4.

"Conversion Date" shall have the meaning set forth in Section 4(a).

"Conversion Price" shall have the meaning set forth in Section 4(b).

"Conversion Schedule" means the Conversion Schedule in the form of Schedule 1 attached hereto.

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of this Note in accordance with the terms hereof.

"Dilutive Issuance" shall have the meaning set forth in Section 5(b).

"Dilutive Issuance Notice" shall have the meaning set forth in Section 5(b).

"DTC" means the Depository Trust Company.

"DTC/FAST Program" means the DTC's Fast Automated Securities Transfer Program.

"DWAC" means Deposit Withdrawal at Custodian as defined by the DTC.

"DWAC Eligible" means that (a) the Common Stock is eligible at DTC for full services pursuant to DTC's Operational Arrangements, including without limitation transfer through DTC's DWAC system, (b) the Company has been approved (without revocation) by the DTC's underwriting department, (c) the Transfer Agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC, and (e) the Transfer Agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

"Equity Conditions" means, during the period in question, (a) the Company shall have duly honored all conversions and redemptions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the Holder, if any, (b) the Company shall have paid all liquidated damages and other amounts owing to the Holder in respect of this Note, (c)(i) there is an effective registration statement pursuant to which the Holder is permitted to utilize the prospectus thereunder to resell all of the shares of Common Stock issuable pursuant to the Transaction Documents (and the Company believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future) or (ii) all of the Conversion Shares issuable pursuant to the Transaction Documents (and shares issuable in lieu of cash payments of interest) may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Company as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the Holder, (d) the Common Stock is trading on a Trading Market and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such Trading Market (and the Company believes, in good faith, that trading of the Common Stock on a Trading Market will continue uninterrupted for the foreseeable future), (e) there is a sufficient number of authorized but unissued and otherwise unreserved shares of Common Stock for the issuance of all of the shares then issuable pursuant to the Transaction Documents, (f) there is no existing Event of Default and no existing event which, with the passage of time or the giving of notice, would constitute an Event of Default, (g) the issuance of the shares in question to the Holder would not violate the limitations set forth in Section 4(e) herein, (h) there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction that has not been consummated, (i) the applicable Holder is not in possession of any information provided by the Company that constitutes, or may constitute, material non-public information, (j) for each Trading Day in a period of 20 consecutive Trading Days prior to the applicable date in question, the daily dollar trading volume for the Common Stock on the principal Trading Market exceeds $100,000 per Trading Day and (i) the Company's Common Stock must be DTC and DWAC Eligible.

"Event of Default" shall have the meaning set forth in Section 6(a).

"Fundamental Transaction" shall have the meaning set forth in Section 5(e).

"Late Fees" shall have the meaning set forth in Section 2(d).

"Make-Whole Amount" means, with respect to the applicable date of determination, an amount in cash equal to all of the interest that, but for the applicable conversion or default payment, would have accrued pursuant to Section 2 with respect to the applicable principal amount being so converted or redeemed for the period commencing on the applicable redemption date or Conversion Date or default payment date and ending on [_____].

"Mandatory Default Amount" means the payment of 130% of the outstanding principal amount of this Note and accrued and unpaid interest hereon, in addition to the payment of (a) all other amounts, costs, expenses and liquidated damages due in respect of this Note and (b) the Make-Whole Amount.

"New York Courts" shall have the meaning set forth in Section 7(d).

"Note Register" shall have the meaning set forth in Section 2(c).

"Notice of Conversion" shall have the meaning set forth in Section 4(a).

"Original Issue Date" means the date of the first issuance of the Notes, regardless of any transfers of any Note and regardless of the number of instruments which may be issued to evidence such Notes.

"Permitted Indebtedness" means the indebtedness evidenced by the Notes.

"Permitted Lien" means the individual and collective reference to the following: (a) Liens for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP, (b) Liens imposed by law which were incurred in the ordinary course of the Company's business, such as carriers', warehousemen's and mechanics' Liens, statutory landlords' Liens, and other similar Liens arising in the ordinary course of the Company's business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien and (c) Liens incurred in connection with Permitted Indebtedness.

"Purchase Agreement" means the Securities Purchase Agreement, dated as of December 14, 2015 among the Company and the original Holders, as amended, modified or supplemented from time to time in accordance with its terms.

"Reset Day" shall have the meaning set forth in Section 4(c).

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

"Share Delivery Date" shall have the meaning set forth in Section 4(d)(ii).

"Successor Entity" shall have the meaning set forth in Section 5(e).

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the OTC Bulletin Board is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Section 2. Interest.

a) Payment of Interest in Cash or Kind. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note at the rate of 12% per annum, which twelve (12) months' interest amount shall be guaranteed, payable on each Conversion Date (as to that principal amount then being converted) and on the Maturity Date in cash or, at the Holder's option, in duly authorized, validly issued, fully paid and non-assessable shares of Common Stock or a combination thereof; provided that the Equity Conditions are satisfied at such time.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30 calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding principal, together with all accrued and unpaid interest, liquidated damages and other amounts which may become due hereunder, has been made. Payment of interest in shares of Common Stock shall otherwise occur pursuant to Section 4(d)(ii) herein. Interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the "Note Register"). Except as otherwise provided herein, if at any time the Company pays interest partially in cash and partially in shares of Common Stock to the holders of the Notes, then such payment of cash shall be distributed ratably among the holders of the then-outstanding Notes based on their (or their predecessor's) initial purchases of Notes pursuant to the Purchase Agreement.

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law (the "Late Fees") which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full.

d) Prepayment. At any time upon ten (10) days written notice to the Holder, the Company may prepay any portion of the principal amount of this Note and any accrued and unpaid interest. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash equal to the sum of the then outstanding principal amount of this Note and guaranteed interest multiplied by 125%. The Holder may continue to convert the Note from the date notice of the prepayment is given until the date of the prepayment.

Section 3.Registration of Transfers and Exchanges.

a) Different Denominations. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b) Investment Representations. This Note has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

c) Reliance on Note Register. Prior to due presentment for transfer to the Company of this Note, the Company and any agent of the Company may treat the Person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 4. Conversion.

a) Voluntary Conversion. At any time after the Original Issue Date until this Note is no longer outstanding, this Note shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 4(e) hereof). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Note to be converted and the date on which such conversion shall be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required.To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire principal amount of this Note, plus all accrued and unpaid interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion. The Holder and the Company shall maintain records showing the principal amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.**

b) Conversion Price. The conversion price in effect on any Conversion Date shall be equal to 75% of the lowest daily VWAP of the Common Stock in the twenty (20) Trading Days prior to the Conversion Date, subject to adjustment herein (the "Conversion Price"). Notwithstanding anything herein to the contrary, at any time after the occurrence of any Event of Default the Holder may require the Company to, at such Holder's option and otherwise in accordance with the provisions for conversion herein, convert all or any part of this Note into Common Stock at the Alternate Conversion Price. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock during such measuring period. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 6 hereof and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

c) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted by (y) the Conversion Price.

ii. Delivery of Certificate Upon Conversion. Not later than three (3) Trading Days after each Conversion Date (the "Share Delivery Date"), the Company shall deliver, or cause to be delivered, to the Holder (A) a certificate or certificates representing the Conversion Shares which, on or after the earlier of (i) the six month anniversary of the Original Issue Date or (ii) the Effective Date, shall be free of restrictive legends and trading restrictions (other than those which may then be required by the Purchase Agreement) representing the number of Conversion Shares being acquired upon the conversion of this Note, (B) a bank check in the amount of accrued and unpaid interest (if the Company has elected or is required to pay accrued interest in cash) and (C) a bank check in the amount of the Make-Whole Amount. All certificate or certificates required to be delivered by the Company under this Section 4(d) shall be delivered electronically through the Depository Trust Company or another established clearing corporation performing similar functions. If the Conversion Date is prior to the earlier of (i) the six month anniversary of the Original Issue Date or (ii) the Effective Date, then the Conversion Shares shall bear a restrictive legend in the following form, as appropriate:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

iii. Failure to Deliver Certificates. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Note delivered to the Company and the Holder shall promptly return to the Company the Common Stock certificates issued to such Holder pursuant to the rescinded Conversion Notice.

iv. Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Note shall have been sought and obtained, and the Company posts a surety bond for the benefit of the Holder in the amount of 150% of the outstanding principal amount of this Note, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails for any reason to deliver to the Holder such certificate or certificates pursuant to Section 4(d)(ii) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of principal amount being converted, $10 per Trading Day (increasing to $20 per Trading Day on the fifth (5^{th}) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Share Delivery Date until such certificates are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 6 hereof for the Company's failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

v. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion. In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to the Holder such certificate or certificates by the Share Delivery Date pursuant to Section 4(d)(ii), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Conversion Shares which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "Buy-In"), then the Company shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount, if any, by which (x) the Holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that the Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Note in a principal amount equal to the principal amount of the attempted conversion (in which case such conversion shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued if the Company had timely complied with its delivery requirements under Section 4(d)(ii). For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of this Note with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon conversion of this Note as required pursuant to the terms hereof.

vi. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock at least equal to 400% of the Required Minimumfor the sole purpose of issuance upon conversion of this Note and payment of interest on this Note, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Notes), not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 5) upon the conversion of the then outstanding principal amount of this Note and payment of interest hereunder. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable and, if the registration statement is then effective under the Securities Act, shall be registered for public resale in accordance with such registration statement (subject to such Holder's compliance with its obligations under the Section 4.17 of the Purchase Agreement).

vii. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

viii. Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Note shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that, the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of this Note so converted and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion.

d) Holder's Conversion Limitations. The Company shall not effect any conversion of this Note, and a Holder shall not have the right to convert any portion of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Notes or the Warrants) beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 4(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(e) applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned by the Holder together with any Affiliates) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(e), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 4(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Note held by the Holder and the Beneficial Ownership Limitation provisions of this Section 4(e) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

Section 5. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Company, at any time while this Note is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any Common Stock Equivalents (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon conversion of, or payment of interest on, the Notes), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re classification.

b) Subsequent Equity Sales. Except for that certain Common Stock Purchase Agreement between the registrant and Magna Equities II, LLC, a New York limited liability company, dated December 22, 2014, if, at any time while this Note is outstanding, the Company or any Subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Conversion Price" and such issuances, collectively, a "Dilutive Issuance") (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then the Conversion Price shall be reduced to equal the Base Conversion Price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustment will be made under this Section 5(b) in respect of an Exempt Issuance. If the Company enters into a Variable Rate Transaction, despite the prohibition set forth in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion price at which such securities may be converted or exercised. The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this Section 5(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 5(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 5(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Note is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Note, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Note is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company, directly or indirectly, in one or more related transactionsconsummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 4(e) on the conversion of this Note), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Note is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 4(e) on the conversion of this Note). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Note and the other Transaction Documents (as defined in the Purchase Agreement) in accordance with the provisions of this Section 5(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Note, deliver to the Holder in exchange for this Note a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Note which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Note (without regard to any limitations on the conversion of this Note) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Note immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

g) Notice to the Holder.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 5, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Conversion by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Note, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Note Register, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert this Note during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 6. Events of Default.

a) "Event of Default" means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

i. any default in the payment of (A) the principal amount of any Note or (B) interest, liquidated damages and other amounts owing to a Holder on any Note, as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise) which default, solely in the case of an interest payment or other default under clause (B) above, is not cured within 3 Trading Days;

ii. the Company shall fail to observe or perform any other covenant or agreement contained in the Notes (other than a breach by the Company of its obligations to deliver shares of Common Stock to the Holder upon conversion, which breach is addressed in clause (xi) below) which failure is not cured, if possible to cure, within the earlier to occur of (A) 5 Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) 10 Trading Days after the Company has become or should have become aware of such failure;

iii. a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents or (B) any other material agreement, lease, document or instrument to which the Company or any Subsidiary is obligated (and not covered by clause (vi) below);

iv. any representation or warranty made in this Note, any other Transaction Documents, any written statement pursuant hereto or thereto or any other report, financial statement or certificate made or delivered to the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

v. the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) shall be subject to a Bankruptcy Event;

vi. the Company or any Subsidiary shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (a) involves an obligation greater than $50,000, whether such indebtedness now exists or shall hereafter be created, and (b) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable;

vii. the Common Stock shall not be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five Trading Days or the transfer of shares of Common Stock through the Depository Trust Company System is no longer available or "chilled";

viii. the Company shall be a party to any Change of Control Transaction or Fundamental Transaction or shall agree to sell or dispose of all or in excess of 33% of its assets in one transaction or a series of related transactions (whether or not such sale would constitute a Change of Control Transaction);

ix. the Company shall fail for any reason to deliver certificates via DWAC to a Holder prior to the third Trading Day after a Conversion Date pursuant to Section 4(d) or the Company shall provide at any time notice to the Holder, including by way of public announcement, of the Company's intention to not honor requests for conversions of any Notes in accordance with the terms hereof;

x. the Company fails to file with the Commission any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable);

xi. if the Borrower or any Significant Subsidiary shall: (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or be the subject of an order for relief under Title 11 of the United States Code or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute of any other jurisdiction or foreign country, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (vi) take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

xii. if any order, judgment or decree shall be entered, without the application, approval or consent of the Borrower or any Significant Subsidiary, by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Borrower or any Subsidiary, or appointing a receiver, trustee, custodian or liquidator of the Borrower or any Subsidiary, or of all or any substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days;

xiii. the occurrence of any levy upon or seizure or attachment of, or any uninsured loss of or damage to, any property of the Borrower or any Subsidiary having an aggregate fair value or repair cost (as the case may be) in excess of $100,000 individually or in the aggregate, and any such levy, seizure or attachment shall not be set aside, bonded or discharged within thirty (30) days after the date thereof;

xiv. the Company shall fail to maintain sufficient reserved shares pursuant to Section 4.11 of the Purchase Agreement; or

xv. any monetary judgment, writ or similar final process shall be entered or filed against the Company, any subsidiary or any of their respective property or other assets for more than $50,000, and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of 45 calendar days.

b) Remedies Upon Event of Default. If any Event of Default occurs, the Company shall have five (5) days to cure such Event of Default. If following the five day period the Event of Default remains, then the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. Commencing 5 days after the occurrence of any Event of Default that results in the acceleration of this Note, the interest rate on this Note shall accrue at an additional interest rate equal to the lesser of 2% per month (24% per annum) or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. In addition to any other rights and remedies available to the Holder in an Event of Default, the Conversion Price in effect on any Conversion Date shall be equal to the Alternate Conversion Price, subject to adjustment herein, without any notice or any action taken by the Holder.

Section 7. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above, or such other facsimile number or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 7(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of the Holder appearing on the books of the Company, or if no such facsimile number or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company. This Note ranks paripassu with all other Notes now or hereafter issued under the terms set forth herein.

c) Lost or Mutilated Note. If this Note shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note.

h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

****

(Signature Pages Follow)

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

TERRA TECH CORP.

By: _____
Name:
Title:

Facsimile No. for delivery of Notices: _____

ANNEX A – CONVERSION NOTICE

The undersigned hereby elects to convert principal under the Convertible Promissory Note due [_____] of Terra Tech Corp, a Nevada corporation (the "Company"), into shares of common stock (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Company that its ownership of the Common Stock does not exceed the amounts specified under Section 4 of this Note, as determined in accordance with Section 13(d) of the Exchange Act.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid shares of Common Stock.

Conversion Information

Date to Effect Conversion: _____
Outstanding Principal: _____
Outstanding Interest:_____

Principal Amount of Note to be Converted: _____
Interest Amount of Note to be Converted:_____

Conversion Price Calculations:

Total Shares of Common Stock to be Issued: _____

Outstanding Principal After Conversion: _____
Outstanding Interest After Conversion: _____

DWAC Instructions

Broker:
DTC#:
Account:
Account Name:

Physical Delivery

Issue to:

Address:

Entity Name: _____
Signatory Name: _____
Title:_____

Signature: _____

Schedule 1

CONVERSION SCHEDULE

This Convertible Promissory Note due on [_____] in the original principal amount of $[_____] is issued by Terra Tech Corp., a Nevada corporation. This Conversion Schedule reflects conversions made under Section 4 of the above referenced Note.

Dated: _____

Date of Conversion (or for first entry, Original Issue Date)	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion (or original Principal Amount)	Company Attest

EXHIBIT 10.22

FORM OF SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of November 25, 2015, between Terra Tech Corp., a Nevada corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a 'Purchaser" and collectively, the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Notes (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing Dates" means the Trading Day(s) on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto in connection with a Closing, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount as to such Closing and (ii) the Company's obligations to deliver the Securities as to such Closing, in each case, have been satisfied or waived.

"Closing(s)" means the one or more closings of the purchase and sale of the Securities pursuant to Section 2.2.

"Closing Statement" means the Closing Statement in the form onAnnex A attached hereto.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means Baker & Hostetler LLP600 Anton Boulevard Suite 900 Costa Mesa, CA 92626.

"Conversion Price" shall have the meaning ascribed to such term in the Notes.

"Conversion Shares" shall have the meaning ascribed to such term in the Notes.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Evaluation Date" shall have the meaning ascribed to such term in Section 3.1(r).

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

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"First Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"GAAP" shall have the meaning ascribed to such term in Section 3.1(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(aa).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(o).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(m).

"Maximum Rate" shall have the meaning ascribed to such term in Section 5.17.

"Notes" means the 5% Original Issue Discount Convertible Promissory Notes due, subject to the terms therein, 9 months from their date of issuance, issued by the Company to the Purchasers hereunder, in the form of Exhibit A attached hereto.

"Participation Maximum" shall have the meaning ascribed to such term in Section 4.12(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Principal Amount" means, as to each Purchaser, the amounts set forth below such Purchaser's signature block on the signature pages hereto next to the heading "Principal Amount," in United States Dollars, which shall equal such Purchaser's Subscription Amount as to the applicable Closing multiplied by 1.1.

"Pro Rata Portion" shall have the meaning ascribed to such term in Section 4.12(e).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon conversion in full of all Notes (including Underlying Shares issuable as payment of interest on the Notes), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

"Robinson Brog" means Robinson Brog Leinwand Greene Genovese & Gluck P.C., with offices located at 875 Third Avenue, New York, New York 10022.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Notes and the Underlying Shares.

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

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Notes purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.12(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Subsidiary" means any subsidiary of the Company as set forth onSchedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board, the OTC Markets (or any successors to any of the foregoing).

"Tranche(s)" shall have the meaning ascribed to such term in Section 2.1.

"Transaction Documents" means this Agreement and the Notes, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means West Coast Stock Transfer Inc., the current transfer agent of the Company, with a mailing address of 2010 Hancock St. Suite A., San Diego, California 92110 and a phone number of 619-664-4780, and any successor transfer agent of the Company.

"Transfer Agent Instruction Letter" means the letter from the Company to the Transfer Agent which instructs the Transfer Agent to issue Underlying Shares pursuant to the Transaction Documents, in the form of Exhibit B attached hereto.

"Underlying Shares" means the shares of Common Stock issued and issuable upon conversion or redemption of the Notes and issued and issuable in lieu of the cash payment of interest on the Notes in accordance with the terms of the Notes.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.13(b).

"VWAP" means, for or as of any date, the dollar volume-weighted average price for such security on the Trading Market (or, if the Trading Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "HP" function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

ARTICLE II.
PURCHASE AND SALE

2.1 Purchase. The Purchasers will purchase an aggregate of up to $500,000 in Subscription Amount corresponding to an aggregate of up to $516,326 in Principal Amount of Notes. The purchase will occur in one (1) or more tranches of (each a "Tranche," and collectively the "Tranches"), with the first Tranche of $500,000 being closed on upon execution of this Agreement (the "First Closing"). A second Tranche, at the Purchasers' sole and exclusive option, will be for $500,000 in Subscription Amount.

2.2 Closing. On each Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and each Purchaser, severally and not jointly, agrees to purchase, such Purchaser's Closing Subscription Amount as set forth on the signature page hereto executed by such Purchaser (an aggregate of up to $500,000 in Subscription Amount corresponding to an aggregate of up to $526,316 in Principal Amount of Notes for each Tranche and an aggregate of up to a second $500,000 in Subscription Amount corresponding to $526,316 in Principal Amount of Notes for second Tranche.) At each Closing, each Purchaser shall deliver to the Company, via wire transfer or a certified check, immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to each Purchaser its respective Note and a Warrant, as determined pursuant to Section 2.3(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.3 deliverable at the First Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.3 and 2.4 for each Closing, each Closing shall occur at the offices of Robinson Brog or such other location as the parties shall mutually agree.

2.3 Deliveries.

(a) On or prior to each Closing Date (except as noted), the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) as to the First Closing, this Agreement duly executed by the Company;

(ii) a legal opinion of Company Counsel, substantially in the form of Exhibit C attached hereto;

(iii) the Transfer Agent Instruction Letter duly executed by the Company and the Transfer Agent;

(iv) a Note with a principal amount equal to such Purchaser's Principal Amount as to the applicable Closing, registered in the name of such Purchaser;

(b) On or prior to the applicable Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following:

(i) as to the First Closing, this Agreement duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount as to the applicable Closing by wire transfer to the account specified in writing by the Company;

2.4 Closing Conditions.

(a) The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the applicable Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the applicable Closing Date shall have been performed; and

(iii) the delivery by each Purchaser of the items set forth in Section 2.3(b) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the applicable Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the applicable Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.3(a) of this Agreement;

(iv) there is no existing Event of Default (as defined in the Notes) and no existing event which, with the passage of time or the giving of notice, would constitute an Event of Default;

(v) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(vi) from the date hereof to the applicable Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the applicable Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the applicable Closing.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby and (iii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock a number of shares of Common Stock for issuance of the Underlying Shares at least equal to 400% of the Required Minimum on the date hereof.

(g) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(n) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(o) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(q) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(r) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the applicable Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(s) Certain Fees. Other than as set forth onSchedule 3.1(s), no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(t) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Except as disclosed on Schedule 3.1(v), no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiaries.

(w) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Solvency. Based on the consolidated financial condition of the Company as of the applicable Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder: (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the applicable Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent

obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports

or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(cc) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(dd) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(ee) Accountants. The Company's accounting firm is set forth onSchedule 3.1(ee) of the Disclosure Schedules. To the knowledge and belief of the Company, such accounting firm: (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2015.

(ff) Seniority. As of each Closing Date, no Indebtedness or other claim against the Company is senior to the Notes in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(gg) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(hh) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ii) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.15 hereof), it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(jj) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of

clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(kk) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the

date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ll) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(mm) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(nn) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(oo) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to a validly filed and effective registration statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which

it converts any Notes it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term

sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Certificates evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144, (iii) if such Underlying Shares are eligible for sale under Rule 144 or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The

Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly after any of the events described in (i)-(iv) in the preceding sentence if required by the Transfer Agent to effect the removal of the legend hereunder (with a copy to the applicable Purchaser and its broker). If all or any portion of a Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Company agrees that at such time as such legend is no longer required under this Section 4.1(c), it will, no later than three Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such third Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.

(d) In addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, for each $1,000 of Underlying Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.2 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Underlying Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other

stockholders of the Company.

4.3 Furnishing of Information; Public Information.

(a) If the Common Stock is not registered under Section 12(b) or 12(g) of the Exchange Act on the date hereof, the Company agrees to cause the Common Stock to be registered under Section 12(g) of the Exchange Act on or before the 60th calendar day following the date hereof. Until the earliest of the time that no Purchaser owns Securities, the Company covenants to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company shall fail for any reason to satisfy the current public information requirement under Rule 144(c) (a "Public Information Failure") then, in addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of such Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchasers to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.3(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3^{rd})

Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Public Information Failure, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.4 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.5 Conversion Procedures. The form of Notice of Conversion included in the Notes set forth the totality of the procedures required of the Purchasers in order to convert the Notes. Without limiting the preceding sentences, no ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required in order to convert the Note. No additional legal opinion, other information or instructions shall be required of the Purchasers to convert their Notes. The Company shall honor conversions of the Notes and shall deliver Underlying Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.6 Securities Laws Disclosure; Publicity. The Company shall (a) by 9:30 a.m. (New York City time) on the Trading Day immediately following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except: (a) as required by federal securities law in connection with any registration statement and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.7 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger

the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.9 Use of Proceeds. The Company shall use the net proceeds hereunder as set forth onSchedule 4.9 attached hereto, and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Common Stock or Common Stock Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations.

4.10 Indemnification of Purchasers. Subject to the provisions of this Section 4.10, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this

Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.11 Reservation and Listing of Securities.

(a) The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than 400% of the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Company's certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least 400% of the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Company shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchasers evidence of such listing or quotation and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market.

4.12 Participation in Future Financing.

(a) From the date hereof until the date that is the 24-month anniversary of the last Closing, upon any issuance by the Company or any of its Subsidiaries of Common Stock, Common Stock Equivalents or debt for cash consideration, Indebtedness or a combination of units hereof (a "Subsequent Financing"), each Purchaser shall have the right to participate in up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing.

(b) At least five (5) Trading Days prior to the closing of the Subsequent Financing, the Company shall deliver to each Purchaser a written notice of its intention to effect a Subsequent Financing ("Pre-Notice"), which Pre-Notice shall ask such Purchaser if it wants to review the details of such financing (such additional notice, a "Subsequent Financing Notice"). Upon the request of a Purchaser, and only upon a request by such Purchaser, for a Subsequent Financing Notice, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver a Subsequent Financing Notice to such Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment.

(c) Any Purchaser desiring to participate in such Subsequent Financing must provide written notice to the Company that such Purchaser is willing to participate in the Subsequent Financing, the amount of such Purchaser's participation, and representing and warranting that such

Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice.

(d) If notifications by the Purchasers of their willingness to participate in the Subsequent Financing (or to cause their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may effect the remaining portion of such

Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(e) If the Company receives responses to a Subsequent Financing Notice from Purchasers seeking to purchase more than the aggregate amount of the Participation Maximum, each such Purchaser shall have the right to purchase its Pro Rata Portion (as defined below) of the Participation Maximum. "Pro Rata Portion" means the ratio of (x) the Subscription Amount of Securities purchased by a Purchaser participating under this Section 4.12 and (y) the sum of the aggregate Subscription Amounts of Securities purchased by all Purchasers participating under this Section 4.12.

(f) The Company must provide the Purchasers with a second Subsequent Financing Notice, and the Purchasers will again have the right of participation set forth above in this Section 4.12, if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within thirty (30) Trading Days after the date of the initial Subsequent Financing Notice.

(g) The Company and each Purchaser agree that if any Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby such Purchaser shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of such Purchaser.

(h) Notwithstanding anything to the contrary in this Section 4.12 and unless otherwise agreed to by such Purchaser, the Company shall either confirm in writing to such Purchaser that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Purchaser will not be in possession of any material, non-public information, by the tenth (10th) Business Day following delivery of the Subsequent Financing Notice. If by such tenth (10th) Business Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Purchaser, such transaction shall be deemed to have been abandoned and such Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

(i) Notwithstanding the foregoing, this Section 4.12 shall not apply in respect of an Exempt Issuance.

4.13 Subsequent Equity Sales.

(a) From the date hereof until ninety (90) days after the date hereof, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents.

(b) From the date hereof until such time as no Purchaser holds any of the Warrants, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock or (ii) enters into any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price. Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(c) Notwithstanding the foregoing, this Section 4.13 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance.

4.14 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the parties to this Agreement. Further, the Company shall not make any payment of principal or interest on the Notes in amounts which are disproportionate to the respective principal amounts outstanding on the Notes at any applicable time. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.15 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will (i) execute any Short Sales, of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (ii) execute any Short Sales of the Common Stock from the date hereof until the earlier of (x) 5 month anniversary of the date hereof and (y) the date that the Notes are no longer outstanding (provided that this provision shall not prohibit any sales made where a corresponding Notice of Conversion or Notice of Exercise is tendered to the Company and the shares received upon such conversion or exercise are used to close out such sale) (a "Prohibited Short Sale"). Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.6, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6, (ii) except for a Prohibited Short Sale, no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (iii) no Purchaser shall have any duty of confidentiality to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.6. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.16 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the applicable Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the First Closing has not been consummated on or before November 25, 2015; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. At the Closings, the Company has agreed to reimburse the Purchasers for their legal fees of up to $15,000 at the First Closing. In addition, Aegis Capital Corp., a FINRA member broker-dealer, shall be entitled to a placement fee of $27,000 to be paid at the First Closing. A completed and executed copy of the Closing Statement, attached hereto as Annex A. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers holding at least 67% in interest of the Securities then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.10, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closings and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of a conversion of a Note or exercise of a Warrant, the applicable Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company

shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in

connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.18 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, each Purchaser and its respective counsel have chosen to communicate with the Company through Robinson Brog. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers.

5.19 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.22 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

TERRA TECH, CORP.

By: _____
Name:
Title:

Address for Notice:

Fax:

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory:_____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser: _____

Address for Delivery of Securities to Purchaser (if not same as address for notice):_____

First Closing Subscription Amount: _____

First Closing Principal Amount:_____

Second Closing Subscription Amount*: _____

Second Closing Principal Amount*: _____

Additional Closing Subscription Amount*: _____

Additional Closing Principal Amount*: _____

EIN Number: _____

_____

* = if applicable

[SIGNATURE PAGES CONTINUE]

Annex A

CLOSING STATEMENT

Pursuant to the attached Securities Purchase Agreement, dated as of the date hereto, the purchasers shall purchase Notes from Terra Tech Corp. (the "Company"). All funds will be wired into an account maintained by the Company. All funds will be disbursed in accordance with this Closing Statement.

Disbursement Date: November 25, 2015

I. PURCHASE PRICE

Gross Proceeds to be Received	$

II. DISBURSEMENTS

	$ 27,000
	$ 15,000
	$
	$
	$
Total Amount Disbursed:	**$**

WIRE INSTRUCTIONS:

To: _____

Duly executed this __ day of November, 2015:

Terra Tech Corp.

By: _____
Name:
Title:

EXHIBIT 10.23

TERRA TECH CORP.

2016 EQUITY INCENTIVE PLAN

SECTION 1.*Purpose.* The purposes of the Terra Tech Corp. 2016 Equity Incentive Plan (the "**Plan**") are to: (a) enable Terra Tech Corp., a Nevada corporation (the "Company"), and its Affiliates to attract and retain the types of Employees, Consultants, and Directors who will contribute to the Company's success; (b) provide incentives that align the interests of Employees, Consultants, and Directors with those of the Company's stockholders; and (c) promote the success of the Company's business and to further the best interests of the Company and its stockholders.

SECTION 2. ***Definitions***. As used in the Plan, the following terms shall have the meanings set forth below:

(a) **"Affiliate"** means: (i) any entity that, directly or through one or more intermediaries, controls, is controlled by, or is under common control with, the Company; and (ii) any entity in which the Company has a significant equity interest, in each case as determined by the Committee.

(b) **"Applicable Laws"** means the requirements related to or implicated by the administration of the Plan under applicable state corporate law, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the shares of Common Stock are listed or quoted, and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan.

(c) **"Award"** means any right granted under the Plan, including an Incentive Stock Option, a Non-qualified Stock Option, a Stock Appreciation Right, a Restricted Award, a Performance Share Award, a Performance Compensation Award, or Other Stock-Based Award, including a Substitute Award.

(d) **"Award Agreement"** means any written agreement, contract, certificate, or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan which may, in the discretion of the Company, be transmitted electronically to any Participant, and which may, but need not, be executed or acknowledged by a Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

(e) **"Beneficial Owner"** has the meaning assigned to such term in Rule 13d-3 and Rule 13d 5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

(f) **"Beneficiary"** means a person named by a Participant to be entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of such Participant's death. If no such person is named by a Participant, or if no Beneficiary designated by such Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at such Participant's death, such Participant's Beneficiary shall be such Participant's estate.

(g) **"Board"** means the Board of Directors of the Company, as constituted at any time.

(h) **"Change in Control"** means the occurrence of any one or more of the following events (unless otherwise specified in an Award Agreement that is subject to Section 409A of the Code):

(i) any Person (other than the Company, any trustee, or other fiduciary holding securities under any employee benefit plan of the Company or any entity owned, directly or indirectly, by the stockholders of the Company immediately prior to the occurrence with respect to which the evaluation is being made in substantially the same proportions as their ownership of the Common Stock of the Company) becomes the Beneficial Owner (except that a Person shall be deemed to be the Beneficial Owner of all shares that any such Person has the right to acquire pursuant to any agreement or arrangement or upon exercise of conversion rights, warrants, or options or otherwise, without regard to the 60-day period referred to in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company, representing 35% or more of the combined voting power of the Company's then-outstanding securities;

(ii) during any twelve-month period, a majority of the members of the Board is replaced by individuals, who were not members of the Board at the Effective Date and whose election by the Board or nomination for election by the Company's stockholders was not approved by a vote of at least a majority of the directors then still in office, who either were directors at the Effective Date or whose election or nomination for election was previously so approved;

(iii) the consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) 35% or more of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation, *provided, however,* that, for purposes of this Section 2(h)(iii), Change in Control shall not include the proposed merger of Generic Merger Sub, Inc. with and into Black Oak Gallery, with Black Oak Gallery as the surviving corporation; or

(iv) the consummation of a sale or disposition of all or substantially all of the assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Common Stock of the Company immediately prior to such sale or disposition).

(i) **"Code"** means the Internal Revenue Code of 1986, as it may be amended from time to time, and the rules, regulations, and guidance thereunder. Any reference to a section of the Code shall include any successor provision thereto.

(j) **"Common Stock"** means the common stock, $0.001 par value per share, of the Company, or such other securities of the Company as may be designated by the Committee from time to time in substitution thereof.

(k) **"Consultant"** means any person, including an advisor, who is engaged by the Company or any Affiliate to render consulting or advisory services.

(l) **"Continuous Service"** means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant, or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant, or Director or a change in the entity for which the Participant renders such service, *provided,* that, there is no interruption or termination of the Participant's Continuous Service; *provided*,*further that,* if any Award is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave, or any other personal or family leave of absence.

(m) **"Covered Employee"** has the same meaning as set forth in Section 162(m)(3) of the Code, as interpreted by IRS Notice 2007-49.

(n) **"Deferred Stock Units"** or **"DSUs"** has the meaning set forth in Section 9(b)(ii)hereof.

(o) **"Director"** means a member of the Board.

(p) **"Disability"** means, with respect to any Participant, "disability" as defined in such Participant's Employment Agreement, if any, or if not so defined, except as otherwise provided in such Participant's Award Agreement, at any time that the Company or any Affiliate sponsors a long-term disability plan that covers such Participant, "disability" as defined in such plan for the purpose of determining such Participant's eligibility for benefits; *provided,* that, if such plan contains multiple definitions of disability, then "Disability" shall refer to that definition of disability, which, if Participant qualified for such benefits, would provide coverage for the longest period. The determination of whether Participant has a Disability shall be made by the person or persons required to make final disability determinations under such plan. At any time that a Participant is not a party to an Employment Agreement and the Company and its Affiliates do not sponsor a long-term disability plan that covers such Participant, Disability shall mean Participant's physical or mental incapacity that renders him or her unable for a period of 90 consecutive days or an aggregate of 120 days in any consecutive 12-month period to perform his or her duties to the Company or any Affiliate. With respect to any Incentive Stock Option, "Disability" shall mean "permanent and total disability" as defined in Section 22(e)(3) of the Code.

(q) **"Disqualifying Disposition"** has the meaning set forth in Section 20(l).

(r) **"Effective Date"** shall mean the date as of which this Plan is adopted by the Board.

(s) **"Employee"** means any person, including an Officer or Director, employed by the Company or an Affiliate; *provided, that,* for purposes of determining eligibility to receive Incentive Stock Options, an Employee shall mean an employee of the Company or a parent or subsidiary corporation within the meaning of Section 424 of the Code. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

(t) **"Employment Agreement"** means any employment, severance, consulting, or similar agreement between the Company or any of its Affiliates and a Participant.

(u) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time, and the rules, regulations, and guidance thereunder. Any reference to a provision in the Exchange Act shall include any successor provision thereto.

(v) **"Fair Market Value"** means, as of any date, the value of the Common Stock as determined below. If the Common Stock is listed on any established stock exchange or a national market system, including without limitation, the New York Stock Exchange, the NYSE MKT, or The NASDAQ Stock Market, the Fair Market Value shall be the closing price of a share of Common Stock (or if no sales were reported, the closing price on the date immediately preceding such date) as quoted on such exchange or system on the day of determination, as reported in the *Wall Street Journal*. In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Committee and such determination shall be conclusive and binding on all persons.

(w) **"Free Standing Rights"** has the meaning set forth in Section 8(a).

(x) **"Good Reason"** means: (i) if an Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Good Reason, the definition contained therein; or (ii) if no such agreement exists or if such agreement does not define Good Reason, the occurrence of one or more of the following without the Participant's express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days of the Participant's knowledge of the applicable circumstances): (A) any material, adverse change in the Participant's duties, responsibilities, authority, title, status, or reporting structure; (B) a material reduction in the Participant's base salary or bonus opportunity; or (C) a geographical relocation of the Participant's principal office location by more than fifty (50) miles.

(y) **"Grant Date"** means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

(z) **"Incentive Stock Option"** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(aa) **"Negative Discretion"** means the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award in accordance with Section 11(d)(iv) of the Plan; *provided, that,* the exercise of such discretion would not cause the Performance Compensation Award to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

(bb) **"Non-Employee Director"** means a Director who is a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act.

(cc) **"Non-qualified Stock Option"** means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option. Awards of Options may include the right to receive dividend equivalent payments with respect to vested Options and payments contingent on vesting with respect to unvested Options.

(dd) **"Officer"** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(ee) **"Option"** means an Incentive Stock Option or a Non-qualified Stock Option granted pursuant to the Plan.

(ff) **"Optionholder"** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(gg) **"Option Exercise Price"** means the price at which a share of Common Stock may be purchased upon the exercise of an Option.

(hh) **"Other Stock-Based Award"** means an Award granted pursuant to Section 12.

(ii) **"Outside Director"** means a Director who is an "outside director" within the meaning of Section 162(m) of the Code and Treasury Regulations Section 1.162-27(e)(3) or any successor to such statute and regulation.

(jj) **"Participant"** means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(kk) **"Performance Compensation Award"** means any Award designated by the Committee as a Performance Compensation Award pursuant to Section 11 of the Plan.

(ll) **"Performance Criteria"** means the criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance Compensation Award under the Plan. The Performance Criteria that will be used to establish the Performance Goal(s) shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit, or operational unit of the Company) and shall be limited to the following: (i) net earnings or net income (before or after taxes); (ii) basic or diluted earnings per share (before or after taxes); (iii) net revenue or net revenue growth; (iv) gross revenue; (v) gross profit or gross profit growth; (vi) net operating profit (before or after taxes); (vii) return on assets, capital, invested capital, equity, or sales; (viii) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital); (ix) earnings before or after taxes, interest, depreciation, and/or amortization; (x) gross, cash, or operating margins; (xi) operating income (before or after taxes); (xii) pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus); (xiii) improvements in capital structure; (xiv) budget and expense management; (xv) productivity ratios; (xvi) economic value added or other value added measurements; (xvii) share price (including, but not limited to, growth measures and total stockholder return); (xviii) market share; (xix) comparisons with various stock market indices; (xx) expense targets; (xxi) margins; (xxii) operating efficiency; (xxiii) working capital targets; (xxiv) enterprise value; (xxv) safety record; (xxvi) research and development achievements; (xxvii) regulatory achievements (including submitting or filing applications or other documents with regulatory authorities or receiving approval of any such applications or other documents); (xxviii) financial ratios (including those measuring liquidity, activity, profitability, or leverage); (xxix) financing and other capital raising transactions (including sales of the Company's equity or debt securities); (xxx) year-end cash; (xxxi) debt reduction; (xxxii) stockholder equity; and (xxxiii) completion of acquisitions or business expansion.

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit, or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or as compared to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or the Committee may select Performance Criteria above as compared to various stock market indices. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period. In the event that applicable tax and/or securities laws change to permit the Committee discretion to alter the governing Performance Criteria without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval.

(mm) **"Performance Formula"** means, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

(nn) **"Performance Goals"** means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), or at any time thereafter (but only to the extent the exercise of such authority after such period would not cause the Performance Compensation Awards granted to any Participant for the Performance Period to fail to qualify as "performance-based compensation" under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code in order to prevent the dilution or enlargement of the rights of Participants based on the following events: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 (or any successor or pronouncement thereto) and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders for the applicable year; (vi) acquisitions or divestitures; (vii) any other specific unusual or nonrecurring events, or objectively determinable category thereof; (viii) foreign exchange gains and losses; and (ix) a change in the Company's fiscal year.

(oo) **"Performance Period"** means the one or more periods of time not less than one fiscal quarter in duration, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Compensation Award.

(pp) **"Performance Compensation Award"** means any Award granted pursuant to Section 11 hereof.

(qq) **"Performance Share Award"** means any Award granted pursuant to Section 10 hereof.

(rr) **"Performance Share"** means the grant of a right to receive a number of actual shares of Common Stock or share units based upon the performance of the Company during a Performance Period, as determined by the Committee.

(ss) **"Permitted Transferee"** means: (i) a member of the Optionholder's immediate family (child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships), any person sharing the Optionholder's household (other than a tenant or employee), a trust in which these persons have more than 50% of the beneficial interest, a foundation in which these persons (or the Optionholder) control the management of assets, and any other entity in which these persons (or the Optionholder) own more than 50% of the voting interests; (ii) third parties designated by the Committee in connection with a program established and approved by the Committee pursuant to which Participants may receive a cash payment or other consideration in consideration for the transfer of a Non-qualified Stock Option; and (iii) such other transferees as may be permitted by the Committee in its sole discretion.

(tt) **"Person"** has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including "group" as defined in Section 13(d) thereof.

(uu) **"Related Rights"** has the meaning set forth in Section 8(a).

(vv) **"Restricted Award"** means any Award granted pursuant to Section 9.

(ww) **"Restricted Period"** has the meaning set forth in Section 9(a).

(xx) **"Rule 16b-3"** means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(yy) **"Section 162(m) Compensation"** means "qualified performance-based compensation" under Section 162(m) of the Code.

(zz) **"Securities Act"** means the Securities Act of 1933, as amended from time to time, and the rules, regulations, and guidance thereunder. Any reference to a provision in the Securities Act shall include any successor provision thereto.

(aaa) **"Stock Appreciation Right"** means the right pursuant to an Award granted under Section 8 to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (i) the Fair Market Value of a share of Common Stock on the date the Award is exercised or settled, over (ii) the exercise or hurdle price specified in the Stock Appreciation Right Award Agreement.

(bbb) **"Stock for Stock Exchange"** has the meaning set forth in Section 7(b).

(ccc) **"Substitute Award"** means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by an entity acquired by the Company or with which the Company combines.

(ddd) **"Ten Percent Stockholder"** means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

(eee) **"Treasury Regulation"** or "Treasury Regulations" means the proposed, temporary, and final regulations promulgated by the Treasury Department pursuant to the Code, as amended from time to time.

SECTION 3. ***Eligibility***.

(a) *Eligible Award Recipients.* The Persons eligible to receive Awards are the Employees, Consultants, and Directors of the Company and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants, and Directors after the receipt of Awards.

(b) *Available Awards*. Awards that may be granted under the Plan include: (i) Incentive Stock Options; (ii) Non-qualified Stock Options; (iii) Stock Appreciation Rights; (iv) Restricted Awards; (v) Performance Share Awards; (vi) Performance Compensation Awards; (vii) Other Stock-Based Awards; and (viii) Substitute Awards.

(c) *Substitute Awards*. Holders of equity-based awards granted by an entity acquired by the Company or with which the Company combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable listing standards of any stock exchange on which the Company is listed.

SECTION 4. ***Administration***.

(a) *Administration of the Plan*. The Plan shall be administered by the Compensation Committee of the Board (the "**Committee**"), or in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter, and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

(i) to construe and interpret the Plan (including any instrument or agreement relating to, or Award made under, the Plan) and apply its provisions;

(ii) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;

(iii) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(iv) to delegate its authority to one or more Officers of the Company with respect to Awards that do not involve Covered Employees or "insiders" within the meaning of Section 16 of the Exchange Act;

(v) to determine when Awards are to be granted under the Plan and the applicable Grant Date;

(vi) from time to time to select, subject to the limitations set forth in this Plan, those Participants to whom Awards shall be granted;

(vii) to determine the number of shares of Common Stock to be made subject to each Award;

(viii) to determine whether each Option is to be an Incentive Stock Option or a Non-qualified Stock Option;

(ix) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;

(x) to determine the target number of Performance Shares to be granted pursuant to a Performance Share Award, the performance measures that will be used to establish the performance goals, the performance period(s) and the number of Performance Shares earned by a Participant;

(xi) to designate an Award (including a cash bonus) as a Performance Compensation Award and to select the Performance Criteria that will be used to establish the Performance Goals;

(xii) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that, if any such amendment impairs a Participant's rights or increases a Participant's obligations under his or her Award or creates or increases a Participant's federal income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;

(xiii) to determine the duration and purpose of leaves of absences which may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(xiv) to make decisions with respect to outstanding Awards that may become necessary upon a change in corporate control or an event that triggers anti-dilution adjustments;

(xv) to determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other Awards, other property, net settlement, or any combination thereof, or canceled, forfeited, or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended;

(xvi) determine whether, to what extent, and under what circumstances a tax withholding obligation may be satisfied in cash, shares of Common Stock, other Awards, or other property;

(xvii) determine whether, to what extent, and under what circumstances cash, shares of Common Stock, other Awards, other property, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee;

(xviii) establish, amend, suspend, or waive such rules, and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan;

(xix) to interpret, administer, reconcile any inconsistency in, correct any defect in, and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and

(xx) to exercise discretion to make any and all other determinations which it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award; provided, that, if the modification effects a repricing, stockholder approval shall be required before the repricing is effective.

(b) *Committee Decisions Final.* All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on the Company, its stockholders, and the Participants, including any Beneficiaries thereof, unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

(c) *Delegation*. The Committee, or if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of Committee or the Board, and the term "**Committee**" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

(d) *Committee Composition.* To the extent necessary or desirable to comply with applicable regulatory regimes, including, without limitation, Section 162(m) of the Code, any action by the Board or the Committee, as applicable, shall require the approval of the Directors or Committee members, as applicable, who are (i)independent, within the meaning of and to the extent required by applicable rulings and interpretations of the applicable stock market or exchange on which the Shares are quoted or traded; (ii) Non-Employee Directors; and (iii) Outside Directors. Within the scope of such authority, the Board or the Committee may: (i) delegate to a committee of one or more members of the Board who are not Outside Directors the authority to grant Awards to eligible persons who are either (A) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award or (B) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code; or (ii) delegate to a committee of one or more members of the Board who are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more Non-Employee Directors who are also Outside Directors and independent within the meaning of and to the extent required by applicable rulings and interpretations of the applicable stock market or exchange on which the Common Stock is quoted or traded.

(e) *Indemnification*. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit, or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (*provided, however,* that, the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit, or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit, or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided, however,* that, within 60 days after institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

(f) *Restrictive Covenants*. The Committee may impose restrictions on any Award with respect to non-competition, confidentiality, and other restrictive covenants as it deems necessary or appropriate in its sole discretion.

SECTION 5. ***Shares Subject to the Plan****.*

(a) *Plan Maximums*. Subject to adjustment in accordance with Section 17, and except for Substitute Awards, a maximum number of shares of Common Stock available for the grant of Awards under the Plan shall not exceed in the aggregate 30,000,000 provided, that, no more than 15,000,000 shares of Common Stock may be granted as Incentive Stock Options. During the terms of the Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Awards.

(b) *Types of Shares*. Shares of Common Stock available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares, or shares reacquired by the Company in any manner.

(c) *Limitations*. Subject to adjustment in accordance with Section 17, no Participant shall be granted, during any one (1)-year period, Options to purchase Common Stock and Stock Appreciation Rights with respect to more than 3,000,000 shares of Common Stock in the aggregate, any other Awards with respect to more than 3,000,000 shares of Common Stock in the aggregate, or cash-based Awards that relate to no more than $285,000. If an Award is to be settled in cash, the number of shares of Common Stock on which the Award is based shall not count toward the individual share limit set forth in this Section 5.

(d) *Shares Available for Issuance.* Any shares of Common Stock subject to an Award that expires, is canceled, forfeited, or otherwise terminates prior to exercise or realization, either in full or in part, shall again become available for issuance under the Plan. Notwithstanding anything to the contrary contained herein, shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are: (i) shares tendered in payment of an Option; (ii) shares delivered or withheld by the Company to satisfy any tax withholding obligation; or (iii) shares covered by a stock-settled Stock Appreciation Right or other Awards that were not issued upon the settlement of the Award.

SECTION 6. ***Eligibility.***

(a) *Eligibility for Specific Awards.* Incentive Stock Options may be granted only to Employees. Awards other than Incentive Stock Options may be granted to Employees, Consultants, and Directors and those individuals whom the Committee determines are reasonably expected to become Employees, Consultants, and Directors following the Grant Date.

(b) *Ten Percent Stockholders*. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the Option Exercise Price is at least 110% of the Fair Market Value of the Common Stock at the Grant Date and the Option is not exercisable after the expiration of five years from the Grant Date.

SECTION 7. ***Options.***

(a) *Option Provisions*. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. All Options shall be separately designated Incentive Stock Options or Non-qualified Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. Notwithstanding the foregoing, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the requirements of Section 409A of the Code. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(i) Term. Subject to the provisions of Section 6(b) regarding Ten Percent Stockholders, no Incentive Stock Option shall be exercisable after the expiration of 10 years from the Grant Date. The term of a Non-qualified Stock Option granted under the Plan shall be determined by the Committee; *provided, however,* no Non-qualified Stock Option shall be exercisable after the expiration of 10 years from the Grant Date.

(ii) Exercise Price of an Incentive Stock Option. Subject to the provisions of Section6(b) regarding Ten Percent Stockholders, the Option Exercise Price of each Incentive Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an Option Exercise Price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code. In the case of Substitute Awards, such Option Exercise Price shall not be less than the Fair Market Value of the Common Stock on the Grant Date of such Option.

(iii) Exercise Price of a Non-qualified Stock Option. The Option Exercise Price of each Non-qualified Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date. Notwithstanding the foregoing, a Non-qualified Stock Option may be granted with an Option Exercise Price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 409A of the Code. In the case of Substitute Awards, such Option Exercise Price shall not be less than the Fair Market Value of the Common Stock on the date of grant of such Option.

(b) *Consideration*. The Option Exercise Price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash or by certified or bank check at the time the Option is exercised; or (ii) in the discretion of the Committee, upon such terms as the Committee shall approve, the Option Exercise Price may be paid (A) by delivery to the Company of other Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Option Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Participant identifies for delivery specific shares of Common Stock that have an aggregate Fair Market Value on the date of attestation equal to the Option Exercise Price (or portion thereof) and receives a number of shares of Common Stock equal to the difference between the number of shares thereby purchased and the number of identified attestation shares of Common Stock (a "Stock for Stock Exchange"); (B) through a "cashless" exercise program established with a broker; (C) by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option with a Fair Market Value equal to the aggregate Option Exercise Price at the time of exercise; (D) by any combination of the foregoing methods; or (E) in any other form of legal consideration that may be acceptable to the Committee. Unless otherwise specifically provided in the Option, the exercise price of Common Stock acquired pursuant to an Option that is paid by delivery (or attestation) to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes). Notwithstanding the foregoing, during any period for which the Common Stock is publicly traded (i.e., the Common Stock is listed on any established stock exchange or a national market system) an exercise by a Director or Officer that involves or may involve a direct or indirect extension of credit or arrangement of an extension of credit by the Company, directly or indirectly, in violation of Section 402(a) of the Sarbanes-Oxley Act of 2002 shall be prohibited with respect to any Award under this Plan.

(c) *Section 422 of the Code.* The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. Incentive Stock Options may be granted only to employees of the Company or of a parent or subsidiary corporation (as defined in Section 424(a) of the Code).

(d) *Transferability of an Incentive Stock Option*. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(e) *Transferability of a Non-qualified Stock Option*. A Non-qualified Stock Option may, in the sole discretion of the Committee, be transferable to a Permitted Transferee, upon written approval by the Committee to the extent provided in the Award Agreement. If the Non-qualified Stock Option does not provide for transferability, then the Non-qualified Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(f) *Vesting of Options.* Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event. (g) Termination of Continuous Service. Unless otherwise provided in an Award Agreement or in an Employment Agreement the terms of which have been approved by the Committee, in the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of: (i) the date three months following the termination of the Optionholder's Continuous Service; or (ii) the expiration of the term of the Option as set forth in the Award Agreement; provided, that, if the termination of Continuous Service is by the Company for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Award Agreement, the Option shall terminate. (h) Extension of Termination Date. An Optionholder's Award Agreement may also provide that, if the exercise of the Option following the termination of the Optionholder's Continuous Service for any reason would be prohibited at any time because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act or any other state or federal securities law or the rules of any securities exchange or interdealer quotation system, then the Option shall terminate on the earlier of: (i) the expiration of the term of the Option in accordance with Section 7(a)(i); or (ii) the expiration of a period after termination of the Participant's Continuous Service that is three months after the end of the period during which the exercise of the Option would be in violation of such registration or other securities law requirements.

(g) *Termination of Continuous Service.* Unless otherwise provided in an Award Agreement or in an Employment Agreement the terms of which have been approved by the Committee, in the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of: (i) the date three months following the termination of the Optionholder's Continuous Service; or (ii) the expiration of the term of the Option as set forth in the Award Agreement; *provided, that,* if the termination of Continuous Service is by the Company for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Award Agreement, the Option shall terminate.

(h) *Extension of Termination Date.* An Optionholder's Award Agreement may also provide that, if the exercise of the Option following the termination of the Optionholder's Continuous Service for any reason would be prohibited at any time because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act or any other state or federal securities law or the rules of any securities exchange or interdealer quotation system, then the Option shall terminate on the earlier of: (i) the expiration of the term of the Option in accordance with Section 7(a)(i); or (ii) the expiration of a period after termination of the Participant's Continuous Service that is three months after the end of the period during which the exercise of the Option would be in violation of such registration or other securities law requirements.

(i) *Disability of Optionholder.* Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of: (i) the date 12 months following such termination; or (ii) the expiration of the term of the Option as set forth in the Award Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein or in the Award Agreement, the Option shall terminate.

(j) *Death of Optionholder*. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance, or by a person designated to exercise the Option upon the Optionholder's death, but only within the period ending on the earlier of: (i) the date 12 months following the date of death; or (ii) the expiration of the term of such Option as set forth in the Award Agreement. If, after the Optionholder's death, the Option is not exercised within the time specified herein or in the Award Agreement, the Option shall terminate.

(k) *Incentive Stock Option $100,000 Limitation.* To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds $100,000, the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Non-qualified Stock Options.

SECTION 8. ***Stock Appreciation Rights.***

(a) *General*. Each Stock Appreciation Right granted under the Plan shall be evidenced by an Award Agreement. Each Stock Appreciation Right so granted shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Stock Appreciation Rights may be granted alone ("Free Standing Rights") or in tandem with an Option granted under the Plan ("Related Rights").

(b) *Grant Requirements.* Any Related Right that relates to a Non-qualified Stock Option may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option. Any Related Right that relates to an Incentive Stock Option must be granted at the same time the Incentive Stock Option is granted.

(c) *Term of Stock Appreciation Rights.* The term of a Stock Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Stock Appreciation Right shall be exercisable later than the tenth anniversary of the Grant Date.

(d) *Vesting of Stock Appreciation Rights*. Each Stock Appreciation Right may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Stock Appreciation Right may be subject to such other terms and conditions on the time or times when it may be exercised as the Committee may deem appropriate. The vesting provisions of individual Stock Appreciation Rights may vary. No Stock Appreciation Right may be exercised for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Stock Appreciation Right upon the occurrence of a specified event.

(e) *Exercise and Payment*. Upon exercise of a Stock Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of shares of Common Stock subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (i) the Fair Market Value of a share of Common Stock on the date the Award is exercised, over (ii) the exercise price specified in the Stock Appreciation Right or related Option. Payment with respect to the exercise of a Stock Appreciation Right shall be made on the date of exercise. Payment shall be made in the form of shares of Common Stock (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), cash, or a combination thereof, as determined by the Committee.

(f) *Exercise Price.* The exercise price of a Free Standing Stock Appreciation Right shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of one share of Common Stock on the Grant Date of such Stock Appreciation Right. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option, shall be transferable only upon the same terms and conditions as the related Option, and shall be exercisable only to the same extent as the related Option; provided, however, that, a Stock Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per share of Common Stock subject to the Stock Appreciation Right and related Option exceeds the exercise price per share thereof and no Stock Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of Section 8(b) are satisfied. In the case of Substitute Awards, such exercise or hurdle price shall not be less than the Fair Market Value of a share of Common Stock on the Grant Date of such Stock Appreciation Rights

(g) *Reduction in the Underlying Option Shares.* Upon any exercise of a Related Right, the number of shares of Common Stock for which any related Option shall be exercisable shall be reduced by the number of shares for which the Stock Appreciation Right has been exercised. The number of shares of Common Stock for which a Related Right shall be exercisable shall be reduced upon any exercise of any related Option by the number of shares of Common Stock for which such Option has been exercised.

SECTION 9. ***Restricted Awards.***

(a) *General.* A Restricted Award is an Award of actual shares of Common Stock ("Restricted Stock") or hypothetical Common Stock units ("Restricted Stock Units") having a value equal to the Fair Market Value of an identical number of shares of Common Stock, which may, but need not, provide that such Restricted Award may not be sold, assigned, transferred or otherwise disposed of, pledged, or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose for such period (the "Restricted Period") as the Committee shall determine. Each Restricted Award granted under the Plan shall be evidenced by an Award Agreement. Each Restricted Award so granted shall be subject to the conditions set forth in this Section 9 and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) *Restricted Stock and Restricted Stock Units.*

(i) Each Participant granted Restricted Stock shall execute and deliver to the Company an Award Agreement with respect to the Restricted Stock setting forth the restrictions and other terms and conditions applicable to such Restricted Stock. If the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company: (A) an escrow agreement satisfactory to the Committee, if applicable; and (B) the appropriate blank stock power with respect to the Restricted Stock covered by such agreement. If a Participant fails to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock power, the Award shall be null and void. Subject to the restrictions set forth in the Award, the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including the right to vote such Restricted Stock and the right to receive dividends; provided, that, any cash dividends and stock dividends with respect to the Restricted Stock shall be withheld by the Company for the Participant's account, and interest may be credited on the amount of the cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or stock dividends so withheld by the Committee and attributable to any particular share of Restricted Stock (and earnings thereon, if applicable) shall be distributed to the Participant in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, if applicable, upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such dividends.

(ii) The terms and conditions of a grant of Restricted Stock Units shall be reflected in an Award Agreement. No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder. The Committee may also grant Restricted Stock Units with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an Award Agreement ("Deferred Stock Units"). At the discretion of the Committee, each Restricted Stock Unit or Deferred Stock Unit (representing one share of Common Stock) may be credited with cash and stock dividends paid by the Company in respect of one share of Common Stock ("Dividend Equivalents"). Dividend Equivalents shall be paid currently (and in no case later than the end of the calendar year in which the dividend is paid to the holders of the Common Stock or, if later, the 15th day of the third month following the date the dividend is paid to holders of the Common Stock). Dividend Equivalents shall be withheld by the Company and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's account and attributable to any particular Restricted Stock Unit or Deferred Stock Unit (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such Restricted Stock Unit or Deferred Stock Unit and, if such Restricted Stock Unit or Deferred Stock Unit is forfeited, the Participant shall have no right to such Dividend Equivalents. Dividend Equivalents will be deemed re-invested in additional Restricted Stock Units or Deferred Stock Units based on the Fair Market Value of a share of Common Stock on the applicable dividend payment date and rounded down to the nearest whole share.

(c) *Restrictions.*

(i) Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Award Agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; (B) the shares shall be subject to the restrictions on transferability set forth in the Award Agreement; (C) the shares shall be subject to forfeiture to the extent provided in the applicable Award Agreement; and (D) to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Participant to such shares and as a stockholder with respect to such shares shall terminate without further obligation on the part of the Company.

(ii) Restricted Stock Units and Deferred Stock Units awarded to any Participant shall be subject to: (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such Restricted Stock Units or Deferred Stock Units are forfeited, all rights of the Participant to such Restricted Stock Units or Deferred Stock Units shall terminate without further obligation on the part of the Company; and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

(iii) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock, Restricted Stock Units, and Deferred Stock Units whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the Restricted Stock, Restricted Stock Units, or Deferred Stock Units are granted, such action is appropriate.

(d) *Restricted Period.* With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement. No Restricted Award may be granted or settled for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(e) *Delivery of Restricted Stock and Settlement of Restricted Stock Units.* Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in Section 9(c) and the applicable Award Agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his or her Beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share) and any cash dividends or stock dividends credited to the Participant's account with respect to such Restricted Stock and the interest thereon, if any. Upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, or at the expiration of the deferral period with respect to any outstanding Deferred Stock Units, the Company shall deliver to the Participant, or his or her Beneficiary, without charge, one share of Common Stock for each such outstanding vested Restricted Stock Unit or Deferred Stock Unit ("Vested Unit") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 9(b)(ii) hereof and the interest thereon or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to such Dividend Equivalents and the interest thereon, if any; provided, however, that, if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock for Vested Units. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed in the case of Restricted Stock Units, or the delivery date in the case of Deferred Stock Units, with respect to each Vested Unit.

(f) *Stock Restrictions.* Each certificate representing Restricted Stock awarded under the Plan shall bear a legend in such form as the Company deems appropriate.

SECTION 10. ***Performance Share Awards.***

(a) *Grant of Performance Share Awards.* Each Performance Share Award granted under the Plan shall be evidenced by an Award Agreement. Each Performance Share Award so granted shall be subject to the conditions set forth in this Section 10, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The Committee shall have the discretion to determine: (i) the number of shares of Common Stock or stock-denominated units subject to a Performance Share Award granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions, and restrictions of the Award.

(b) *Earning Performance Share Awards*. The number of Performance Shares earned by a Participant will depend on the extent to which the Performance Goals established by the Committee are attained within the applicable Performance Period, as determined by the Committee. No payout shall be made with respect to any Performance Share Award except upon written certification by the Committee that the minimum threshold Performance Goal(s) have been achieved.

SECTION 11. ***Performance Compensation Awards.***

(a) *General.* The Committee shall have the authority, at the time of grant of any Award described in this Plan (other than Options and Stock Appreciation Rights granted with an exercise price equal to or greater than the Fair Market Value per share of Common Stock on the Grant Date), to designate such Award as a Performance Compensation Award in order to qualify such Award as "performance-based compensation" under Section 162(m) of the Code. In addition, the Committee shall have the authority to make an Award of a cash bonus to any Participant and designate such Award as a Performance Compensation Award in order to qualify such Award as "performance-based compensation" under Section 162(m) of the Code.

(b) *Eligibility*. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 11(b). Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) *Discretion of Committee with Respect to Performance Compensation Awards* With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goal(s) that is (are) to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 11(c) and record the same in writing.

(d) *Payment of Performance Compensation Awards*.

(i) Condition to Receipt of Payment. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period.

(ii) Limitation. A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(iii) Certification. Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing the amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period and, in so doing, may apply Negative Discretion in accordance with Section 11(d)(iv) hereof, if and when it deems appropriate.

(iv) Use of Discretion. In determining the actual size of an individual Performance Compensation Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to: (A) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained; or (B) increase a Performance Compensation Award above the maximum amount payable under Section 11(d)(vi) of the Plan.

(v) Timing of Award Payments. Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 11 but in no event later than 2 1/2 months following the end of the fiscal year during which the Performance Period is completed.

(vi) Maximum Award Payable. Notwithstanding any provision contained in this Plan to the contrary, the maximum Performance Compensation Award payable to any one Participant under the Plan for a Performance Period (excluding any Options and Stock Appreciation Rights) is 3,000,000 shares of Common Stock or, in the event such Performance Compensation Award is paid in cash, the equivalent cash value thereof on the first or last day of the Performance Period to which such Award relates, as determined by the Committee. The maximum amount that can be paid in any calendar year to any Participant pursuant to a cash bonus Award described in the last sentence of Section 11(a) shall be $285,000. Furthermore, any Performance Compensation Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase: (A) with respect to a Performance Compensation Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee; or (B) with respect to a Performance Compensation Award that is payable in shares of Common Stock, by an amount greater than the appreciation of a share of Common Stock from the date such Award is deferred to the payment date.

SECTION 12. ***Other Stock-Based Awards.*** The Committee may, subject to limitations under applicable law, grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Stock or factors that may influence the value of Common Stock, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Stock, purchase rights for Common Stock, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards. Common Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 12 shall be purchased for such consideration, paid for at such times, by such methods and in such forms, including cash, Common Stock, other Awards, other property, or any combination thereof, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may also be granted pursuant to this Section 12.

SECTION 13. ***Automatic Grants to Outside Directors.*** The Board or a committee thereof may institute, by resolution, automatic Award grants to new and to continuing members of the Board, with the number and type of such Awards, with such terms and conditions, and based upon such criteria, if any, as is determined by the Board or its committee, in their sole discretion.

SECTION 14. ***Securities Law Compliance.*** Each Award Agreement shall provide that no shares of Common Stock shall be purchased or sold thereunder unless and until: (a) any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel; and (b) if required to do so by the Company, the Participant has executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Committee may require. The Company shall use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise of the Awards; *provided, however*, that, this undertaking shall not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained. All certificates for shares of Common Stock and/or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock market or exchange upon which such shares of Common Stock or other securities are then quoted, traded, or listed, and any applicable securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

SECTION 15. ***Use of Proceeds from Stock.*** Proceeds from the sale of Common Stock pursuant to Awards, or upon exercise thereof, shall constitute general funds of the Company.

SECTION 16. ***Miscellaneous***.

(a) *Acceleration of Exercisability and Vesting.* The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

(b) *Stockholder Rights.* Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Stock certificate is issued, except as provided in Section 17 hereof.

(c) *No Employment or Other Service Rights.* Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate: (i) the employment of an Employee with or without notice and with or without Cause; or (ii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) *Transfer; Approved Leave of Absence*. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either: (i) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing, in either case, except to the extent inconsistent with Section 409A of the Code if the applicable Award is subject thereto.

(e) *Withholding Obligations.* To the extent provided by the terms of an Award Agreement and subject to the discretion of the Committee, the Participant may satisfy any federal, state, or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award; provided, however, that, no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) delivering to the Company previously owned and unencumbered shares of Common Stock of the Company.

SECTION 17. ***Adjustments Upon Changes in Stock***. In the event of changes in the outstanding Common Stock or in the capital structure of the Company by reason of any stock or extraordinary cash dividend, stock split, reverse stock split, an extraordinary corporate transaction such as any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization occurring after the Grant Date of any Award, Awards granted under the Plan and any Award Agreements, the exercise price of Options and Stock Appreciation Rights, the maximum number of shares of Common Stock subject to all Awards stated in Section 5 and the maximum number of shares of Common Stock with respect to which any one person may be granted Awards during any period stated in Section 5 and Section 11(d)(vi) will be equitably adjusted or substituted, as to the number, price, or kind of a share of Common Stock or other consideration subject to such Awards to the extent necessary to preserve the economic intent of such Award. In the case of adjustments made pursuant to this Section 17, unless the Committee specifically determines that such adjustment is in the best interests of the Company or its Affiliates, the Committee shall, in the case of Incentive Stock Options, ensure that any adjustments under this Section 17 will not constitute a modification, extension, or renewal of the Incentive Stock Options within the meaning of Section 424(h)(3) of the Code and in the case of Non-qualified Stock Options, ensure that any adjustments under this Section 17 will not constitute a modification of such Non-qualified Stock Options within the meaning of Section 409A of the Code. Any adjustments made under this Section 17 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code, any adjustments or substitutions will not cause the Company to be denied a tax deduction on account of Section 162(m) of the Code. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

SECTION 18. ***Effect of Change in Control.***

(a) The Committee may (but shall not be required to) provide for accelerated vesting of an Award upon, or as a result of specified events following, a Change in Control, either in an Award Agreement or in connection with the Change in Control.

(b) In the event of a Change in Control, the Committee may cause any Award:

(i) to be canceled in consideration of a payment in cash or other consideration to such Participant who holds such Award in an amount per share equal to the excess, if any, of the price or implied price per share of Common Stock in a Change in Control over the per share exercise or purchase price of such Award, which may be paid immediately or over the vesting schedule of the Award; or

(ii) to be assumed or a substantially equivalent Award shall be substituted by the successor corporation or a parent or subsidiary of such successor corporation (the "Successor Corporation"), unless the Successor Corporation does not agree to assume the award or to substitute an equivalent option or right (or agree to cash out the Award as provided in clause (i)), in which case such Award shall become fully vested immediately prior to the Change in Control and shall thereafter terminate. An Award shall be considered assumed, without limitation, if, at the time of issuance of the stock or other consideration upon a Change in Control, as the case may be, each holder of an Award would be entitled to receive upon exercise of the Award the same number and kind of shares of stock or the same amount of property, cash, or securities as such holder would have been entitled to receive upon the occurrence of the transaction if the holder had been, immediately prior to such transaction, the holder of the number of shares of Common Stock covered by the Award at such time; provided, that, if such consideration received in the transaction is not solely common stock of the Successor Corporation, the Committee may, with the consent of the Successor Corporation, provide for the consideration to be received upon exercise of the assumed Award to be solely common stock of the Successor Corporation.

(c) The obligations of the Company under the Plan shall be binding upon any Successor Corporation or organization resulting from the merger, consolidation, or other reorganization of the Company, or upon any Successor Corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

SECTION 19. ***Amendments and Termination.***

(a) *Amendment of Plan.* The Board at any time, and from time to time, may amend or terminate the Plan. However, except as provided in Section 17 relating to adjustments upon changes in Common Stock and Section 19(c), no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy any Applicable Laws. At the time of such amendment, the Board shall determine, upon advice from counsel, whether such amendment will be contingent on stockholder approval.

(b) *Stockholder Approval.* The Board may, in its sole discretion, submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to certain executive officers.

(c) *Contemplated Amendments.* It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees, Consultants, and Directors with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to the nonqualified deferred compensation provisions of Section 409A of the Code and/or to bring the Plan and/or Awards granted under it into compliance therewith.

(d) *No Impairment of Rights.* Rights under any Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless: (i) the Company requests the consent of the Participant; and (ii) the Participant consents in writing.

(e) *Amendment of Awards.* The Committee at any time, and from time to time, may amend the terms of any one or more Awards; provided, however, that, the Committee may not affect any amendment which would otherwise constitute an impairment of the rights under any Award unless: (i) the Company requests the consent of the Participant; and (ii) the Participant consents in writing.

(f) *Dissolution or Liquidation*. In the event of the dissolution or liquidation of the Company, each Award will terminate immediately prior to the consummation of such action, unless otherwise determined by the Committee.

(g) *Terms of Awards.* The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; provided, however, that, no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except (x) to the extent any such action is made to cause the Plan to comply with Applicable Laws, stock market or exchange rules and regulations, or accounting or tax rules and regulations or (y) to impose any "clawback" or recoupment provisions on any Awards in accordance with Section 20(c) of the Plan.

(h) *No Repricing.* Notwithstanding the foregoing, except as provided in Section 17, no amendment to the terms of outstanding Options or Stock Appreciation Rights in exchange for Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights shall be made without approval of the Company's stockholders.

SECTION 20. ***General Provisions.***

(a) *Forfeiture Events*. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

(b) *Clawback*. The Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder. Without limiting the foregoing, the Committee may provide in Award Agreements that, in the event of a financial restatement that reduces the amount of previously awarded incentive compensation that would not have been earned had results been properly reported, outstanding Awards will be cancelled and the Company may clawback (i.e., recapture) realized Option / Stock Appreciation Right gains and realized value for vested Restricted Awards or earned Performance Share Awards.

(c) *Other Compensation Arrangements.* Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(d) *Deferral of Awards*. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Participant to payment or receipt of shares of Common Stock or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, shares or other consideration so deferred, and such other terms, conditions, rules, and procedures that the Committee deems advisable for the administration of any such deferral program.

(e) *Unfunded Plan*. The Plan shall be unfunded. Neither the Company, the Board, nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

(f) *No Fiduciary Relationship.* Neither the Plan nor any Award shall create or be construed to create a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) *Recapitalizations*. Each Award Agreement shall contain provisions required to reflect the provisions of Section 17.

(h) *Delivery*. Upon exercise of a right granted under this Plan, the Company shall issue Common Stock or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

(i) *No Fractional Shares.* No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards, or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock, or whether any fractional shares should be rounded, forfeited, or otherwise eliminated.

(j) *Other Provisions*. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

(k) *Section 409A of the Code.* The Plan is intended to comply with Section 409A of the Code and the regulations thereunder ("Section 409A")to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and administered to be in compliance therewith. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term, or condition will be interpreted and deemed amended so as to avoid this conflict. Any payments described in the Plan that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6) month period immediately following the Participant's termination of Continuous Service shall instead be paid on the first payroll date after the six-month anniversary of the Participant's separation from service (or the Participant's death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Section 409A of the Code and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

(l) *Disqualifying Dispositions*. Any Participant who shall make a "disposition" (as defined in Section 424 of the Code) of all or any portion of shares of Common Stock acquired upon exercise of an Incentive Stock Option within two years from the Grant Date of such Incentive Stock Option or within one year after the issuance of the shares of Common Stock acquired upon exercise of such Incentive Stock Option (a "Disqualifying Disposition") shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Common Stock.

(m) *Section 16 of the Exchange Act.* It is the intent of the Company that the Plan satisfy, and be interpreted in a manner that satisfies, the applicable requirements of Rule 16b-3 as promulgated under Section 16 of the Exchange Act so that Participants will be entitled to the benefit of Rule 16b-3, or any other rule promulgated under Section 16 of the Exchange Act, and will not be subject to short-swing liability under Section 16 of the Exchange Act. Accordingly, if the operation of any provision of the Plan would conflict with the intent expressed in this Section 20(m), such provision to the extent possible shall be interpreted and/or deemed amended so as to avoid such conflict.

(n) *Section 162(m) of the Code.* To the extent the Committee issues any Award that is intended to be exempt from the deduction limitation of Section 162(m) of the Code, the Committee may, without stockholder or grantee approval, amend the Plan or the relevant Award Agreement retroactively or prospectively to the extent it determines necessary in order to comply with any subsequent clarification of Section 162(m) of the Code required to preserve the Company's federal income tax deduction for compensation paid pursuant to any such Award.

(o) *Beneficiary Designation*. Each Participant under the Plan may from time to time name any Beneficiary or Beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee, and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

(p) *Expenses*. The costs of administering the Plan shall be paid by the Company.

(q) *Severability*. If any of the provisions of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to confirm to Applicable Laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Agreement, such provision shall be stricken as to such jurisdiction, person, or Award and the reminder of the Plan and any such Award Agreement shall remain in full force and effect.

(r) *Plan Headings*. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

(s) *Non-Uniform Treatment.* The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments, and adjustments, and to enter into non-uniform and selective Award Agreements. No employee, Participant, or other person shall have any claim to be granted any Award under the Plan.

(t) *Effective Date of Plan.* The Plan shall become effective as of the Effective Date, but no Award shall be exercised (or, in the case of a stock Award, shall be granted) unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

SECTION 21. ***Term of the Plan.*** No Award shall be granted under the Plan after the earliest to occur of: (a) the tenth (10^{th}) year anniversary of the Effective Date; *provided, that*, to the extent permitted by the listing rules of any stock exchange on which a class or series of equity or debt of the Company is then listed, such ten-year term may be extended indefinitely so long as the maximum number of shares of Common Stock available for issuance under the Plan have not been issued; (b) the maximum number of shares of Common Stock available for issuance under the Plan have been issued; or (c) the Board terminates the Plan in accordance with Section 19(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

SECTION 22. ***Choice of Law***. The Plan and each Award Agreement shall be governed by the laws of the State of Nevada, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction.

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As adopted by the Board of Directors of Terra Tech Corp. on January 12, 2016.

As approved by the stockholders of Terra Tech Corp. on _____.

EXHIBIT 10.24

ESCROW AGREEMENT

This Escrow Agreement (this "**Escrow Agreement**") is made as of March 31, 2016, by and among West Coast Stock Transfer Inc., a California corporation(the "**Escrow Agent**"), Terra Tech Corp., a Nevada corporation ("**Terra Tech**"), Black Oak Gallery, a California corporation (the "**Company**") and Salwa Ibrahim (the "**Shareholder Representative**") on behalf of the Company Shareholders (as of the Effective Time of the Merger). Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Merger Agreement (as defined below).

WITNESSETH

WHEREAS, the Terra Tech, the Company, Generic Merger Sub Inc., a California corporation ("**Merger Sub**"), and the Shareholder Representative have entered into an Agreement and Plan of Merger dated as of December 23, 2015 in the form attached hereto as Exhibit A (the "**Merger Agreement**"), pursuant to which Merger Sub will merge (the "**Merger**") with and into the Company, with the Company to be the surviving corporation of the Merger.

WHEREAS, this Escrow Agreement is the Escrow Agreement contemplated by the Merger Agreement to provide collateral for the indemnification and post-Closing adjustment obligations of the Company and the Company Shareholders pursuant to the Merger Agreement.

WHEREAS, pursuant to Section 1.5 of the Merger Agreement, Terra Tech is depositing Escrow Shares into escrow with the Escrow Agent (the "**Escrow Consideration**").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein, and intending to be legally bound, hereby agree as follows:

1. Escrow.

(a) Escrow Shares. The Escrow Agent shall hold the Escrow Shares in escrow in accordance with the terms and conditions of this Escrow Agreement and the Merger Agreement. The parties hereto hereby appoint, and the Escrow Agent hereby accepts such appointment as, and agrees to act as, the escrow agent to hold, safeguard and disburse the Escrow Shares pursuant to the terms and conditions hereof and thereof.

(b) Purpose of the Escrow. The Escrow Shares shall be held by the Escrow Agent to (i) enforce certain lockup restrictions on shares of Payment Securities as agreed by the parties to the Merger Agreement, and (ii) to serve as a source of collateral for the post-closing adjustment provisions contained in Section 1.6 of the Merger Agreement and the indemnification obligations of the Company and the Shareholders pursuant to Article 6 of the Merger Agreement.

(c) Escrow Period. The "**Escrow Period**" shall mean the period commencing on the Effective Date and ending on the Escrow Release Date. Terra Tech and the Shareholder Representative shall jointly deliver to Escrow Agent written notice upon the end of the Escrow Period with instructions on how to distribute the Escrow Shares.

(d) Instructions. All instructions required under this Merger Agreement will be delivered to Escrow Agent in writing, in either original or facsimile form, executed by an Authorized Person (as hereinafter defined) of each of Terra Tech and the Shareholder Representative. The identity of such Authorized Persons shall be as set forth on Exhibit B and will remain in effect until Terra Tech or the Shareholder Representative notifies Escrow Agent of any change in their respective appointed person(s) ("**Authorized Persons**"). In its capacity as Escrow Agent, Escrow Agent will accept all instructions and documents complying with the above in accordance with the terms and conditions hereof, and reserves the right to refuse to accept any instructions or documents which fail, or appear to fail, to comply. Further to this procedure, Escrow Agent reserves the right to telephone an Authorized Person to confirm the details of such instructions or documents.

(e) Ownership of Escrow Shares. While the Escrow Shares remain in escrow hereunder, they shall be treated for all purposes (including tax, voting and other purposes) as owned by the Company Shareholders, in the proportions to which they are entitled to Escrow Shares in accordance with the Merger Agreement.

2. Fees and Expenses. The customary and reasonable annual and other administrative fees and expenses of the Escrow Agent (as set forth on the fee schedule attached as Exhibit C) shall be paid by Terra Tech. During the term of this Escrow Agreement, the Escrow Agent shall provide periodic invoices reflecting all fees and expenses to Terra Tech; provided that Escrow Agent shall furnish such supporting information as is reasonably requested by Terra Tech.

3. Disbursement. Promptly after the Escrow Release Date, and except as set forth below, the Escrow Agent shall deliver to the Company Shareholders in accordance with the escrow distribution schedule included in joint written instructions given to Escrow Agent by Terra Tech and the Shareholder Representative (the "**Escrow Distribution Schedule**") the remaining portion of the Escrow Shares after the satisfaction of any Post-Closing Adjustments pursuant to Section 1.6 of the Merger Agreement and Damages in respect of indemnify obligations under Article 6 of the Merger Agreement. Notwithstanding the foregoing, the Escrow Period shall not terminate with respect to such amount (or some portion thereof) of the Escrow Shares that is necessary in the reasonable judgment of Terra Tech, subject to the objection of the Shareholder Representative and the subsequent final resolution of the matter in any court of competent jurisdiction, to satisfy any unsatisfied Damages concerning facts and circumstances existing prior to the termination of the Escrow Period specified in any Officer's Certificate delivered to the Escrow Agent prior to termination of the Escrow Period or any Post-Closing Adjustment not yet paid to Terra Tech. As soon as any such Damages or Post-Closing Adjustment amount has been finally determined and the Escrow Agent has either (i) distributed to Terra Tech that portion of the Escrow Shares required to satisfy such Damages or Post-Closing Adjustment, or (ii) held back the number of shares (and class or series of such shares) of Payment Securities required to satisfy Damages or Post-Closing Adjustment claimed by Terra Tech pursuant to Sections 4(a) and (b), the Escrow Agent shall distribute to the Company Shareholders the remaining portion of the Escrow Shares not required to satisfy any other such unresolved Damages or Post-Closing Adjustment in accordance with the applicable Escrow Distribution Schedule.

4. Claims Upon the Escrow Fund; Objections to Claims; Resolution of Conflicts

(a) Claims Upon Escrow Shares. Upon receipt by the Escrow Agent at any time on or before 9:00 a.m., California time, on the Escrow Release Date of an Officer's Certificate: (i) stating that Terra Tech has suffered Damages or that it is due a Post-Closing Adjustment and specifying an aggregate amount thereof, and (ii) specifying in reasonable detail the individual items of Damages included in the amount so stated, the number of shares (and class or series of such shares) of Payment Securities required to satisfy such Damages or Post-Closing Adjustment calculated in accordance with the Merger Agreement, the date each such item was paid (if then appropriate), the basis for such anticipated liability, the general nature of the misrepresentation, breach of warranty or covenant to which such item is related and, to the extent known, a reasonable summary of the facts underlying the claim, and, if no objection is received from the Shareholder Representative pursuant to Section 4(b) of this Escrow Agreement, the Escrow Agent shall, subject to the provisions of Section 4(b) hereof, deliver to Terra Tech or its designee, as promptly as practicable, an amount of the Escrow Shares sufficient to satisfy such Damages or Post-Closing Adjustments (calculated in accordance with the Merger Agreement).

(b) Objections to Claims. At the time of delivery of any Officer's Certificate to the Escrow Agent, a duplicate copy of such Officer's Certificate shall be delivered to the Shareholder Representative and, for a period of thirty (30) days after such delivery, the Escrow Agent shall make no delivery to Terra Tech of any amount from the Escrow Shares pursuant to Section 4(a) hereof unless the Escrow Agent shall have received written authorization from the Shareholder Representative to make such delivery. After the expiration of such thirty (30)-day period, the Escrow Agent shall make delivery of the applicable Escrow Shares in accordance with Section 4(a) hereof; provided, however, that, if the Shareholder Representative shall object in a written statement to the claim made in the Officer's Certificate, and such statement shall have been delivered to the Escrow Agent and Terra Tech prior to the expiration of such thirty (30)-day period, the Escrow Agent shall withhold from any such delivery an amount of Escrow Shares sufficient to satisfy such disputed, alleged Damages or Post-Closing Adjustments (calculated in accordance with the Merger Agreement).

(c) Resolution of Conflicts.

(i) In case the Shareholder Representative shall object in writing to any claim or claims made in any Officer's Certificate, the Shareholder Representative and Terra Tech shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Shareholder Representative and Terra Tech should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties and shall be furnished to the Escrow Agent. The Escrow Agent shall be entitled to rely on any such memorandum and distribute the Escrow Shares in accordance with the terms thereof.

(ii) If no such agreement can be reached within twenty (20) days after delivery of the Shareholder Representative's written objection to Terra Tech's claim in the Officer's Certificate notwithstanding good-faith attempts to agree (as referenced in subsection (1), above) negotiation, either Terra Tech or the Shareholder Representative may seek resolution of the matter in a court of competent jurisdiction in accordance with Section 11.6 of the Merger Agreement. The Escrow Agent shall hold an amount of the Escrow Shares sufficient to satisfy such alleged Damages or Post-Closing Adjustments (calculated in accordance with the Merger Agreement) until such time as the applicable claim(s) are finally resolved.

5. Limitation on Escrow Agent's Liability. The Escrow Agent's responsibilities and liabilities shall be limited as follows:

(a) The Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the Merger Agreement or any other agreement between the parties thereto. The Escrow Agent shall not be responsible or liable in any manner whatsoever for the performance by Terra Tech or the Shareholder Representative of their respective obligations under the Merger Agreement or this Escrow Agreement, nor shall the Escrow Agent be responsible or liable in any manner whatsoever for the failure of any party to the Merger Agreement to honor any of the provisions of the Merger Agreement.

(b) The duties and obligations of the Escrow Agent shall be limited to and determined solely by the express provisions of this Escrow Agreement and the Merger Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(c) The Escrow Agent shall be entitled to rely upon and shall be protected in acting in reliance upon any instruction, notice, information, certificate, instrument or other document which is submitted to it in connection with its duties under this Escrow Agreement and which the Escrow Agent in good faith believes to have been signed or presented by the proper party or parties. The Escrow Agent shall have no liability with respect to the form, execution, validity or authenticity thereof.

(d) The Escrow Agent shall have the right at any time to resign for any reason and be discharged of its duties as Escrow Agent hereunder by giving written notice of its resignation to the parties hereto at least thirty (30) calendar days prior to the date specified for such resignation to take effect. In addition, Terra Tech and the Shareholder Representative may jointly remove the Escrow Agent as escrow agent at any time with or without cause, by an instrument (which may be executed in counterparts) given to the Escrow Agent, which instrument shall designate the effective date of such removal. In the event of any such resignation or removal, a successor escrow agent which, unless Terra Tech and the Shareholder Representative otherwise agree in writing, shall be a bank or trust company organized under the laws of the United States of America or of the State of California having (or if such bank or trust company is a member of a bank company, its bank holding company has) a combined capital and surplus of not less than $500,000,000, shall be appointed by Terra Tech with the approval of the Shareholder Representative, which approval shall not be unreasonably withheld. All responsibilities of the Escrow Agent hereunder shall cease and terminate on the effective date of its resignation or removal and its sole responsibility thereafter shall be to hold the Escrow Shares for a period of thirty (30) calendar days following the effective date of resignation or removal, at which time: (1) if a successor Escrow Agent shall have been appointed and written notice thereof shall have been given to the resigning or removed Escrow Agent by parties hereto and the successor Escrow Agent, then the resigning Escrow Agent shall deliver the remaining Escrow Shares to the successor Escrow Agent; or (2) if a successor Escrow Agent shall not have been appointed, for any reason whatsoever, the resigning or removed Escrow Agent shall deliver the Escrow Shares to a court of competent jurisdiction in the County of Alameda, California and give written notice of the same to Terra Tech and the Shareholder Representative.

6. Dispute Resolution/Governing Law.

(a) This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the principles of conflicts of laws thereof.

(b) The parties hereto intend that all disputes between the parties arising out of or related to this Escrow Agreement (or with respect to Terra Tech and the Shareholder Representative) or the transactions contemplated hereby or thereby shall be settled by the parties amicably through good-faith discussions upon the written request of any party.

(c) In the event that any such dispute cannot be resolved thereby within a period of twenty (20) days after such notice has been given, any of the parties may seek adjudication of the matter in a court of competent jurisdiction. Each of the parties hereto consents to the jurisdiction of the courts of the State of California, County of Alameda and to the federal courts located in the County of Alameda, State of California.

7. Notices. Any notices required or permitted to be given under this Escrow Agreement shall be in writing and shall be deemed sufficiently given on the earlier to occur of the date of personal delivery, the date of receipt, or three (3) days after posting by overnight courier or registered or certified mail, postage prepaid, addressed as follows:

If to Terra Tech:

Terra Tech Corp.
4700 Von Karman, Suite 110
Newport Beach, California 92660
Attn: Chief Executive Officer

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

Baker & Hostetler LLP
600 Anton Blvd., Suite 900
Costa Mesa, California 92626
Attn.: Randolf W. Katz

If to the Shareholder Representative:

to the address of the Shareholder Representative previously provided to Terra Tech in writing.

If to Company prior to the Effective Time:

Black Oak Gallery Inc.
576 W. Grand Ave.
Oakland, California 94612

with a copies to each of the following (which shall not constitute notice):

the Shareholder Representative

HaasNajarian LLP
58 Maiden Lane, 2nd Floor
San Francisco, California 94108
Attn.: Louis N. Haas

Paradigm Counsel LLP
450 Sheridan Avenue
Palo Alto, California 94306
Attn.: Marek J. Adamo

If to the Escrow Agent:

West Coast Stock Transfer Inc.
721 N. Vulcan Ave., Suite 205
Encinitas, California 92024
Attn.: Frank Brickell

8. Specific Performance. Each party agrees that irreparable harm, for which there may be no adequate remedy at law and for which the ascertainment of damages would be difficult, would occur in the event any of the provisions of this Escrow Agreement were not performed in accordance with its specific terms or were otherwise breached. Each party accordingly agrees that the other parties shall be entitled specifically to enforce this Escrow Agreement and to obtain an injunction or injunctions to prevent breaches of the provisions of this Escrow Agreement and to enforce specifically the terms and provisions hereof or thereof, in each instance without being required to post bond or other security and in addition to, and without having to prove the adequacy of, other remedies at law.

9. Counterpart Signatures, Facsimile Delivery. This Escrow Agreement may be executed in one or more counterparts and delivered by facsimile, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

10. Entire Agreement. This Escrow Agreement, the Merger Agreement, and the documents, instruments and other agreements specifically referred to herein or delivered pursuant hereto (a) constitute the entire agreement among the parties with respect to the subject matter hereof and (b) supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

11. Amendment; Waiver; Requirement of Writing. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by Terra Tech and the Shareholder Representative and the Escrow Agent. Any term or condition of this Escrow Agreement may be waived at any time by the party hereto entitled to the benefit thereof, and any such term or condition may be modified at any time by an agreement in writing executed by each of the parties hereto entitled to the benefit thereof. No delay or failure on the part of any party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder.

12. Expenses. Except as otherwise provided in Section 2, each of the parties hereto shall pay, without right of reimbursement from the other party, all the costs incurred by it incident to the preparation, execution, and delivery of this Escrow Agreement or the performance of its obligations hereunder, whether or not the transactions contemplated by this Escrow Agreement shall be consummated.

13. No Third-Party Beneficiaries. Nothing in this Escrow Agreement will be construed as giving any person, other than the parties, their successors and permitted assigns, any right, remedy, or claim under or in respect of this Escrow Agreement or any provision hereof.

14. Disclaimer of Agency. Except for any provisions herein expressly authorizing one party to act for another, this Escrow Agreement shall not constitute any party as a legal representative or agent of any other party, nor shall a party have the right or authority to assume, create, or incur any liability of any kind, expressed or implied, against or in the name or on behalf of any other party or any of such other party's affiliates.

15. Relationship of the Parties. Nothing contained in this Escrow Agreement is intended to, or shall be deemed to, create a partnership or joint venture relationship among the parties hereto or any of their affiliates for any purpose, including tax purposes.

16. Assignment. This Escrow Agreement and the rights and obligations of each party hereunder or thereunder shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Assignment by Escrow Agent shall be governed by Section 5 hereof.

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

[*Signature Page Follows****]***

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

TERRA TECH, INC.

By: _____
Name: _____
Title: _____

ESCROW AGENT

West Coast Stock Transfer Inc.

By: _____
Name: _____
Title: _____

SHAREHOLDER REPRESENTATIVE

_____
Salwa Ibrahim

EXHIBIT A

Merger Agreement

(attached)

EXHIBIT B

Authorized Persons

Shareholder Representative: Salwa Ibrahim

Terra Tech: Mike Nahass

EXHIBIT C

Escrow Agent Fee Schedule

EXHIBIT 10.25

LEASE

By and Between

WHITETOWN REALTY, LLC,
Landlord

and

EDIBLE GARDEN CORP.,
Tenant

Dated: JANUARY 1, 2015

LEASE

THIS LEASE (this "Lease") is made as of January 1, 2015, by and between **WHITETOWN REALTY, LLC,** a New Jersey limited liability companyhaving offices at 30 Hillview Road, Lincoln Park, New Jersey 07035 ("**Landlord**"), and **EDIBLE GARDEN CORP.**, a New Jersey corporation, having offices at 283 Route 519, Belvidere, New Jersey 07823 ("**Tenant"**).

WITNESSETH:

WHEREAS, Landlord is the owner of fee simple title to certain real property identified as Block 30, Lot 8 as shown on the Tax Map of White Township, Warren County, New Jersey, as more particularly described on **Exhibit A** of this Lease (the "Property"); and

WHEREAS, pursuant to that certain Lease Agreement dated as of January 1, 2014 ("Original Lease") by and between Landlord and Tenant, Tenant leased from Landlord a portion of the Property identified as *Lease Area "A"* on **Exhibit A** hereto, together with the non-exclusive right, together with other occupants of the Property, to use the Common Areas (as herein defined) as Landlord may designate from time to time (the "Demised Premises"); and

WHEREAS, the Original Lease expires on December 31, 2014; and

WHEREAS, Landlord and Tenant desire to enter into a new lease for Tenant's letting of the Demised Premises upon and subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Landlord and Tenant hereby covenant and agree as follows:

1. **CERTAIN DEFINITIONS.**

1.1. For the purposes of this Lease, unless the context otherwise requires, the following words and terms shall have the meanings indicated:

1.1.1. "Alterations" means any alteration, addition, improvement, expansion, modification or other change of any kind made to the Demised Premises.

1.1.2. "Commencement Date" means January 1, 2015.

1.1.3. "Common Areas" means those areas of the Property, wherever located, which have been designated and improved from time to time for the common use by or for the benefit of more than one occupant of the Property or which are used in connection with the maintenance or operation of the Property, including, without limitation, all parking areas, roadways, curbs, sidewalks, medians, landscaped areas; but excluding all portions of the Property which are designated and intended for the use by a single occupant of the Property. The definition of Common Areas shall not be construed as a representation or warranty that any such areas are or from time to time will be available at the Property.

1.1.4. "Existing Building" means any existing buildings and any other improvements currently located on the Demised Premises.

1.1.5. "Delivery of Possession" means the delivery of possession of the Demised Premises by Landlord to Tenant.

1.1.6. "Governmental Authorities" means all municipal, county, state and federal authorities having jurisdiction over the Demised Premises and, the improvements located thereon, and the appropriate departments, commissions, boards and officers thereof.

1.1.7. "Insurance Requirements" means the requirements of the insurance policies required to be maintained hereunder and of the statewide board of fire underwriters standards and requirements of all insurance rating bureaus and insurance inspection bureaus having jurisdiction.

1.1.8. "Interest Rate" means the "prime" rate of interest, so called, from time to time published or announced by the Wall Street Journal, plus 2%.

1.1.9. "Lease Year" means each period of twelve (12) consecutive months beginning on the Commencement Date. Every twelve (12) consecutive month period thereafter will be a Lease Year.

1.1.10. "Legal Requirements" means all laws, statutes, rules, regulations and ordinances and all the requirements of all Governmental Authorities, all state and local zoning and building codes and laws, whether now or hereafter in effect applicable to the Tenant's business and the Demised Premises, inclusive of all improvements thereon and the use or manner of use thereof.

2. **DEMISE AND ORIGINAL TERM.**

2.1. Landlord hereby demises and leases to Tenant, and Tenant hereby leases and hires from Landlord, subject to the provisions of this Lease, the Demised Premises.

2.2. The term of this Lease (the "**Term**") shall commence on the Commencement Date and expire at 11:59 p.m. on December 31, 2029 (the "**Expiration Date**"), unless extended or sooner terminated as hereinafter provided ("**Original Term**").

2.3. Provided that no default of this Lease shall have occurred and then be continuing beyond the expiration of all applicable cure periods, Tenant shall have the option (the "**Extension Option**") to extend the Term for two (2) consecutive periods of five (5) years each (each five year period, an "**Extension Term**" and collectively, the "**Extension Terms**").

The first Extension Term shall commence on the date (the "**First Extension Term Commencement Date**") next succeeding the Expiration Date and shall expire (the "**First Extension Term Expiration Date**") on the fifth (5th) anniversary of the Expiration Date.

The second Extension Term shall commence on the date (the "**Second Extension Term Commencement Date**") next succeeding the First Extension Term Expiration Date and shall expire (the "**Second Extension Term Expiration Date**") on the fifth (5th) anniversary of the First Extension Term Expiration Date.

Each Extension Option shall be exercised by Tenant giving to Landlord notice thereof on or before the date which is nine (9) months prior to the Expiration Date, the First Extension Term Expiration Date, or the Second Extension Term Expiration Date, as the case may be. In the event Tenant fails to exercise any such Extension Option, this Lease shall expire upon the expiration of the current Term and Tenant shall not have any further option to extend the Term.

Each Extension Term, if any, shall be upon, and subject to, all of the terms, covenants and conditions provided in this Lease for the Original Term, except that any terms, covenants or conditions hereof that are expressly or by their nature inapplicable to an Extension Term shall not

apply during the Extension Term. If, in accordance with and subject to, all of the terms, covenants and conditions contained in this Section 2.3, the Term is extended for one or more Extension Terms, the "Expiration Date" as such term is used in this Lease shall mean the First, or Second Extension Term Expiration Date, as the case may be, and references to the "Term" (and comparable words), shall mean the Original Term, as extended by either the First, or Second Extension Term.

3. **FIXED RENT.**

3.1. Commencing on the Commencement Date and continuing on the first (1st) day of each calendar month thereafter until the Expiration Date, Tenant shall pay to Landlord, without offset, demand or set-off of any kind, except as may otherwise be provided herein, Fixed Rent in accordance with **Schedule 1**, attached hereto and made a part hereof, to be paid in equal monthly installments, at Landlord's address first set forth above or at such other place as Landlord may from time to time designate by written notice to Tenant.

3.2. Late Charge. In the event any installment of Fixed Rent is not paid to Landlord within five (5) days after its due date or, in the case of any payment of additional rent or other charges hereunder, within ten (10) days after written notice thereof from Landlord to Tenant that said additional rent or other charges has not been received by Landlord when due, a late charge equal to five (5%) percent of the then late payment ("**Late Charge**") shall be automatically due from Tenant to Landlord.

4. **AS IS.**

4.1. Landlord and Tenant acknowledge and agree that the Demised Premises have been delivered by the Landlord to the Tenant in its "as-is" condition, and Tenant hereby confirms acceptance of the Demised Premises in its "as-is" condition and acknowledges that Landlord has not made any statements or representations or warranties regarding the Demised Premises and Tenant is not relying upon any statement or representation or warranty by Landlord or any third party regarding the Demised Premises, the fitness of the Demised Premises for the Permitted Use or any particular use of Tenant, or any other matter. Landlord hereby expressly disclaims and Tenant hereby waives all implied warranties including, without limitation, any warranty of fitness for a particular use or purpose.

5. **DELIVERY OF POSSESSION.**

5.1. Delivery of Possession. Tenant acknowledges that it is already in possession of the Demised Premises.

5.2. Upon the expiration or earlier termination of this Lease, all improvements on the Demised Premises shall remain a part of the Demised Premises and belong to Landlord, and Tenant shall deliver possession of the Demised Premises in accordance with Paragraph 20 below. Tenant shall have the right to remove all of Tenant's personal property and equipment provided that Tenant repairs any damage caused by reason of such removal.

6. **SECURITY.**

6.1. Tenant shall deposit with Landlord upon Tenant's execution of this Lease, the sum of Twenty-Eight Thousand and 00/100 Dollars ($28,000.00), to be held without interest to secure the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease. It is agreed that in the event Tenant defaults in respect to any one of the terms, provisions, and conditions of this Lease, beyond any applicable, notice, cure and/or grace period, including, but not limited to, the payment of additional rent, Landlord may use, apply or retain, the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which Tenant is in default, beyond any applicable, notice, cure and/or grace period, or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default, beyond any applicable, notice, cure and/or grace period, in respect of any of the terms, covenants, and conditions of this Lease, including, but not limited to, any damages or deficiency in the reletting of the Demised Premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord. If Landlord applies any part of said deposit to cure any default of Tenant, beyond any applicable, notice, cure and/or grace period, Tenant shall, upon demand, deposit with Landlord the amount so applied, so that the Landlord shall have the full deposit on hand at all times during the Term.

6.2. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the security shall be returned to Tenant after the date fixed as the end of the Lease and after delivery of entire possession of the Demised Premises to Landlord.

7. **USE AND OCCUPANCY.**

Tenant shall use and occupy the Demised Premises for and in connection with its fruit, vegetable and floral business and for no other purposes (the **"Permitted Use"**). Tenant shall not be permitted to conduct any business on the Demised Premises on Sundays.

8. **MAINTENANCE AND REPAIRS.**

8.1. Tenant shall keep, repair and maintain the Demised Premises any areas outside of the Demised Premises which Landlord shall designate for Tenant's exclusive use in good order and condition and compliant with all applicable Legal Requirements and at all times including without limitation repairs, replacements and maintenance required to any improvements on the Demised Premises. Landlord shall have no obligation of any kind

with respect to the repair and maintenance of the Demised Premises, any improvements thereon or any areas outside of the Demised Premises which Landlord shall designate for Tenant's exclusive use.

8.2. Tenant shall, at its sole cost and expense, comply with all Legal Requirements applicable to the Demised Premises, the improvements and the business and operations conducted thereon.

9. **ALTERATIONS.**

9.1. Tenant shall not perform any Alterations in and to the Demised Premises without first obtaining Landlord's consent, which consent shall not be unreasonably withheld provided that the proposed Alteration is consistent with the Permitted Use. Tenant acknowledges and agrees that it shall not be unreasonable for Landlord to condition its consent to any Tenant request to perform Alterations on Tenant and Landlord entering into an amendment to this Lease providing for an increase in the Fixed Rent and additional rent payable by Tenant hereunder. Before commencing any Alterations which have been approved by Landlord, Tenant shall, at its expense:

9.2.1. cause drawings and specifications for any Alteration if required by Legal Requirements, thereafter to be filed with and approved by all Governmental Authorities having jurisdiction; and

9.2.2. obtain all approvals and permits which may be required by all Governmental Authorities for such Alterations; and

9.2.3. deliver to Landlord copies of such plans, drawings and specifications which are filed and approved, as well as copies of all such permits and approvals.

9.2. All Alterations shall be done in a good and workmanlike manner and in compliance with Legal Requirements, Insurance Requirements and the terms of this Lease.

9.3. Throughout the Term, Tenant shall not suffer or permit any liens to stand against the Demised Premises or any part thereof, by reason of any work, labor, services or materials done for, or supplied, or claimed to have been done for, or supplied to, Tenant. If any contractor's, construction, mechanic's, laborer's or materialmen's lien is filed against the Demised Premises for work done or materials furnished to Tenant, Tenant shall cause such lien to be discharged at its sole expense whether by payment, release, bond, deposit, order of a court of competent jurisdiction or otherwise, within thirty (30) days after receiving notice of the filing thereof. If Tenant shall fail to vacate or release such lien within such thirty (30) day period, Landlord may, but shall not be obligated to, vacate or release the same, but solely by posting a bond or other security in the manner prescribed by law. Tenant may contest the validity or amount of any such lien, provided that it shall cause such lien to be bonded such that it would be deemed discharged of record. If Landlord shall so discharge a lien which is the obligation of Tenant, Tenant shall pay to Landlord all actual, out-of-pocket costs incurred by Landlord pursuant to the foregoing provisions of this **Section 9.3**, including Landlord's reasonable attorneys' fees and actual, out-of-pocket costs, expenses and disbursements incurred in connection therewith. Nothing contained herein shall imply any consent or agreement on the part of Landlord to subject Landlord's estate or interest in the Demised Premises to liability under any construction, mechanic's or other lien law, whether or not the performance or the furnishing of such work, labor, services or materials to Tenant or anyone holding the Demised Premises, or any part thereof, through or under Tenant, shall have been consented to by Landlord.

9.4. In connection with the rights granted to Tenant under this **Article 9** (and **Articles 5 and 8** hereof), Landlord agrees to reasonably cooperate with Tenant, at Tenant's sole cost and expense, including the execution and delivery, upon request of Tenant, of such instrument or instruments, applications, agreements, or other consents for performing any work permitted by this Lease, or any other thing required in connection therewith.

10. **ENVIRONMENTAL PROVISIONS**

10.1. *Definitions*. For purposes of this Lease:

"Environmental Laws" shall mean any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to any Hazardous Materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water runoff, waste emissions or wells, including, without limiting the generality of the foregoing, the following statutes, and regulations, orders, decrees, permits, licenses and deed restrictions now or hereafter promulgated thereunder, and amendments and successors to such statutes and regulations as may be enacted and promulgated from time to time: Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act; the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq.; the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq.; the Hazardous Material Transportation Act, 42 U.S.C. §1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. §11001 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq.; the Air Pollution Control Act, N.J.S.A. 26:2C 1 et seq.; the New Jersey Water Pollution Control Act, N.J.S.A. 58:10A 1 et seq.; the Uranium Mill Tailings Radiation Control Act (42 U.S.C. § 7901 et seq.); the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq.); the Noise Control Act (42 U.S.C. § 4901 et seq.); the Safe Drinking Water Act (21 U.S.C. § 349, 42 U.S.C. § 201 and § 300f et seq.); "ISRA" (as defined below), and the National Environmental Policy Act (42 U.S.C. § 4321 et seq.).

10.1.1. "Hazardous Materials" means each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law, including any friable asbestos or friable asbestos containing materials.

10.1.2. "Release" shall mean (whether intentional or otherwise), any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, discarding, burying, abandoning, or disposing into the environment.

10.1.3. "Environmental Authorities" means the United States, the State of New Jersey and any political subdivision thereof, including the New Jersey Department of Environmental Protection ("NJDEP"), the United States Environmental Protection Agency and any and all Governmental Authorities and the agencies, departments, commissions, boards, bureaus, bodies, councils, offices, authorities, or instrumentality of any of them, of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence having jurisdiction under any Environmental Law.

10.1.4. "Notice" shall mean any communication, written or oral, actual or threatened, from any Governmental Authority or any other public or private entity or individual, concerning any violation of any Environmental Law, or any act or omission resulting or which may result in the Release of Hazardous Materials into the waters or onto the lands of the State of New Jersey or into waters outside the jurisdiction of the State of New Jersey or into the environment, and shall include the imposition of any liens on the Demised Premises or revenues or assets of Landlord.

10.2. Tenant covenants and agrees that it shall not Release, use, generate, store, dispose, suffer, permit, produce, introduce or maintain any Hazardous Materials in or about any portion of the Demised Premises or any area outside of the Demised Premises which Landlord may designate for Tenant's exclusive use, except in strict compliance with all applicable Environmental Laws. Tenant further covenants and agrees to indemnify, protect and save Landlord and the Landlord Parties harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind or of any nature whatsoever (including reasonable attorneys' and experts' fees and actual, out-of-pocket disbursements) which may at any time be imposed upon, incurred by or asserted or awarded against Landlord arising from or out of the presence of any Hazardous Materials on, in, under or affecting all or any portion of the Demised Premises or any area outside of the Demised Premises which Landlord may designate for Tenant's exclusive use, in violation of Environmental Law, caused by the acts or omissions of Tenant or Tenant's agents, servants, employees or contractors, including the cost of removal of any and all such Hazardous Materials from any portion of the Demised Premises or elsewhere. In connection with Tenant's indemnification hereunder: (1) upon written notice from Landlord, Tenant agrees to defend any claim or demand brought, or any action, petition, or order filed, against Landlord by counsel reasonably satisfactory to Landlord, whether any such claim or action is rightfully or wrongfully brought or filed; and Tenant shall pay all reasonable expenses incurred in connection with defending against such action or proceeding, and (2) Tenant shall pay, satisfy and discharge any judgments, liens, orders or decrees which may be recovered or filed against Landlord arising out of any such claim, demand, action, petition or order. The provisions of this **Section 10.2** shall survive the expiration or sooner termination of the Term.

10.3. ISRA. Tenant further covenants and agrees that (x) its operation at the Demised Premises shall not involve any Hazardous Materials, except in strict compliance with all applicable Environmental Laws, and (y) Tenant's NAICS code is _____. As used herein " **Industrial Establishment**" shall be as defined in the Industrial Site Recovery Act, N.J.S.A. 13:1k-6 etseq., and the rules and regulations promulgated thereunder, as same may be amended from time to time ("**ISRA**"). If Tenant's operations on the Demised Premises now or hereafter constitute an Industrial Establishment subject to the requirements of ISRA, then prior to the expiration or sooner termination of this Lease, Tenant shall comply with all requirements of ISRA pertaining to an Industrial Establishment closing or transferring operations, at its sole cost and expense, to the satisfaction of the NJDEP and Landlord. If Tenant has not fully complied with ISRA prior to the expiration or sooner termination of the Lease, then Tenant, at Landlord's option and in addition to all other rights and remedies of Landlord under this Lease, at law, in equity or otherwise, shall be deemed to be a holdover tenant and the provisions of this Lease shall be applicable.

11. **ENTRY BY LANDLORD**

Landlord shall have the right to enter the Demised Premises at any time during the Term to show or inspect the Demised Premises or otherwise and to exercise Landlord's rights under this Lease.

12. **COMPLIANCE WITH LEGAL REQUIREMENTS AND INSURANCE REQUIREMENTS**.

12.1. Tenant shall comply with all Legal Requirements and Insurance Requirements relating to Tenant's occupancy, use or manner of use of the Demised Premises which shall, with respect to the Demised Premises or the use and occupation thereof, impose any violation, order or duty on Landlord or Tenant. Tenant shall have the right to contest by appropriate legal proceedings, but without cost, liability or expense to Landlord, the validity of any such Legal Requirement or Insurance Requirement with which Tenant must comply, provided that such contest will not subject Landlord to any civil or criminal liability, or knowingly result in a default under any mortgage or other agreement to which Landlord may be a party. In addition, if compliance with such Legal Requirement or Insurance Requirement with which Tenant must comply may be legally held in abeyance without the occurrence of any danger to persons or property or threat thereof, will not subject Tenant or Landlord to any civil or criminal liability, or knowingly result in a default under any mortgage or other agreement to which Landlord may be a party, Tenant may postpone compliance therewith until the final determination of any such proceedings, provided that in such circumstance, (a) Tenant shall diligently prosecute any such proceeding, in good faith, to conclusion and shall keep Landlord reasonably apprised as to the status of same; (b) Tenant shall indemnify and hold Landlord and the Landlord Parties fully harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind or of any nature whatsoever (including reasonable attorneys' and experts' fees and disbursements) which may at any time be imposed upon, incurred by or asserted or awarded against Landlord as a result of the postponement of such compliance and/or any such proceeding, and (c) upon request by Landlord, post reasonable security with Landlord on account of the pendancy of such proceeding to assure compliance with the results thereof. Landlord agrees to execute and deliver (at no out of pocket cost to Landlord) any documents or other instruments which may be necessary or proper to permit Tenant to contest the validity or application of any Legal Requirement or Insurance Requirement with which Tenant must comply and to fully cooperate with Tenant in such contest.

13. **REAL ESTATE TAXES.**

13.1. For purposes of this Lease, and subject only to the exclusions provided below, "Taxes" as used in this Lease shall mean the regularly imposed taxes levied by municipal, county, and district Governmental Authorities against the owners of real property, which taxes are measured on a "flat-rate" basis separately from any other property of the owner of the subject property, including ad valorem taxes and betterment assessments, imposed or assessed upon or against the Property; provided, however that if any betterment assessment is payable in installments, the real estate taxes for any tax year shall include only such installments of such betterment assessment as is allocable to said tax year. Taxes shall not in any case include any income, excess profit, estate, inheritance, succession, transfer, franchise, capital or other tax or assessment upon Landlord, or upon the rentals payable under this Lease (except for taxes on the rentals as set forth below), all of which shall be the obligation of Landlord, unless same are charges or assessments made in lieu of real estate, or other taxes expressly included in Taxes, in which event same shall nevertheless be payable by Tenant as herein set forth. In no event shall Tenant be obligated to pay any of Landlord's administrative fees relating to real estate taxes nor shall Tenant be obligated to pay any interest or penalties imposed for late payment or otherwise unless caused by Tenant. If at any time after the Commencement Date, the methods of taxation then prevailing shall be altered so that in lieu of the whole or any part of the taxes, assessments, levies, impositions or charges then levied, assessed or imposed on real estate and the improvements thereon, there shall be levied, assessed or imposed: (i) a tax, assessment, levy, imposition or charge wholly or partially as capital levy or otherwise on the rents received therefrom, or (ii) a tax, assessment, levy, imposition or charge measured by or based in whole or in part upon the Demised Premises and imposed upon Landlord, or (iii) a license fee measured by the rents payable by Tenant to Landlord, then all such taxes, assessments, levies, impositions or charges, or the part thereof so measured or based, shall be deemed to be included within the term "Taxes" for the purposes hereof.

13.2. "Tax Year" shall mean the fiscal year for which Taxes are levied by the Governmental Authority.

13.3. Commencing on the Commencement Date, Tenant shall pay, as additional rent, its Share (as herein defined) of the Taxes (the "Tax Payment"). The Tax Payment shall be appropriately prorated, if necessary, to correspond with that portion of a Tax Year occurring within the Term. The Tax Payment shall be payable by Tenant to Landlord within ten (10) days of Landlord's demand. For purposes hereof, Share shall mean forty percent (40%), subject to increase based upon the percentage of improvements on the Property which are located on the Demised Premises.

14. **INSURANCE.**

14.1. Tenant shall throughout the Term keep in effect:

14.1.1. commercial general liability insurance in an amount totaling not less than Five Million Dollars ($5,000,000.00) per occurrence and in the aggregate, including coverage for contractual liability coverage and broad form property damage coverage, insuring against claims for bodily injury, death or property damage occurring on, in or about the Demised Premises;

14.1.2. workers' compensation insurance in statutory limits in compliance with Legal Requirements; and

14.1.3. Insurance against all risks or direct physical loss, including all risk of loss by fire and other risks and casualties included under Special Form coverage, as such term is known on the date of this Lease, in an amount equal to at least the full replacement value of the improvements on the Demised Premises, as well as all fixtures, furnishings and equipment therein.

14.2 All insurance policies required to be maintained by Tenant shall name Landlord as additional insured.

14.3. The insurance policies required hereunder may be effected by a policy or policies of blanket insurance which may cover other properties, provided that such policy or policies of blanket insurance specifically reference the Demised Premises, and the protection and coverage afforded thereunder is not less than the protection or coverage which would have been afforded under a separate policy relating to the Demised Premises.

15. **FIRE AND OTHER CASUALTY.**

15.1. If the Demised Premises or any part thereof, shall be damaged by fire or other casualty, Tenant shall give notice thereof to Landlord promptly after becoming aware of such damage, and this Lease shall continue in full force and effect except as hereinafter set forth.

15.2. If the Demised Premises is totally or partially damaged or rendered partially unusable by fire or other casualty, the damage thereto shall be promptly repaired by and at the expense of Tenant (including the use by Tenant of any or all proceeds of Tenant's fire and casualty insurance policy) to the same condition, design and specifications as existed immediately before such damage or destruction, in a good and workmanlike manner in compliance with all Legal Requirements. Tenant shall retain all insurance proceeds derived from its policies not used in the restoration of the Demised Premises.

15.3. Subject to the provisions of **Section 15.5** below, nothing in this Lease shall be deemed to release either party hereto from liability for damages resulting from the fault or negligence of said party or its agents.

15.4. Tenant acknowledges that Landlord will not carry insurance on improvements on the Demised Premises or on Tenant's fixtures, equipment or personal property, and agrees that Landlord will not be obligated to repair any damage thereto or to replace the same.

15.5. Notwithstanding anything to the contrary contained herein and to the extent available, every property insurance policy carried by either party shall include provisions denying to the insurer subrogation rights against the other party (and, as to Landlord, any fee mortgagee), to the extent such rights have been waived by the insured prior to the occurrence of damage or loss. Each party hereby waives any rights of recovery against the other party for any direct damage or consequential loss covered by said policies against which such party is protected by insurance, to the extent of the proceeds paid under such policies, whether or not such damage or loss shall have been caused by any acts or omissions of the other party.

16. **CONDEMNATION.**

16.1. If the whole of the Demised Premises shall be taken under the power of condemnation or eminent domain by any public, quasi public or private authority, or by act of or pursuant to public authority (with or without a formal taking) or in lieu of taking, conveyed to the taking authority by agreement between Landlord and the taking authority (such events hereinafter a "Taking"), then this Lease shall terminate and expire as of the date of such Taking, and any unearned rent or other charges or rentals, if any, paid in advance, shall be refunded to Tenant. Any taking by eminent domain shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damages from the condem-ning authority, subject, however to the terms of this Lease.

16.2. If there shall be a Taking which results in a material reduction in the size of the Demised Premises to the extent that it is impracticable to continue the Permitted Use, then either party upon written notice to the other party may at such party's election, made at any time within sixty (60) days after the Taking, terminate this Lease by giving notice of its election, to do so. Any Taking shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damages from the condemning authority.

16.3. In the event of a Taking, Tenant shall have no claim against Landlord or the condemning authority for the value of the unexpired Term or to any part of the award in such proceeding; provided however that Tenant may assert a claim against the condemning authority for any of its personal property so taken and for its relocation expenses.

17. **ASSIGNMENT AND SUBLETTING.**

17.1. Neither Tenant nor any party claiming under or through Tenant shall assign, mortgage or encumber this Lease, or sublease all or any part of the Demised Premises, or suffer or permit the Demised Premises or any part thereof to be subleased to or used by others, without the prior written consent of Landlord in each instance. The transfer (or transfers in the aggregate) of more than a 25% interest in Tenant, shall be deemed an assignment of this Lease for the purposes of this Section. The consent by Landlord to an assignment or subletting shall not be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting.

17.2. If Tenant desires to assign this Lease or to sublease all or substantially all of the Premises, Tenant shall first give notice to Landlord of the proposed transaction and the term thereof, and Landlord shall have the right, by notice to Tenant within 20 days after receipt of Tenant's notice, to terminate this Lease, as of the intended effective date of the proposed assignment. If Tenant desires to sublease less than substantially all of the Premises, Tenant shall first give notice to Landlord as aforesaid, and Landlord shall have the right, by notice to Tenant within 20 days after receipt of Tenant's notice, to terminate this Lease with respect to the portion of the Premises proposed to be subleased, as of the intended effective date of the proposed sublease. The foregoing to the contrary notwithstanding, Tenant may negate Landlord's termination by withdrawing its request for an assignment or sublease of the Demised Premises, as applicable.

17.3. If Landlord elects not to so terminate this Lease, then Landlord shall not unreasonably withhold its consent to the proposed subletting or assignment. It shall not be deemed unreasonable for Landlord to withhold its consent to a proposed subletting or assignment absent receiving a corporate guaranty with respect to said sublease or assignment in form and substance acceptable to Landlord. Tenant shall pay to Landlord as Additional Rent, within ten (10) days after receipt of payments from a subtenant or assignee, all of "profit" on a subletting or assignment, i.e., the excess of consideration of any type received by Tenant from the subtenant or assignee, over (in the case of a sublease only) a pro rata portion of the Rent payable by Tenant hereunder, reduced by Tenant's reasonable third-party brokerage fees, attorneys' fees and other direct costs and expenses for the transaction.

17.4. If Tenant shall desire to assign this Lease, or to sublet the whole or a portion of the Demised Premises, Tenant shall submit to

Landlord a written request ("**Tenant's Request**") for Landlord's consent to such assignment or subletting. Tenant's Request shall include the name and address of the proposed assignee or subtenant, the proposed use of the Demised Premises and any other documentation reasonably required by Landlord. Landlord shall then have the right, within fifteen (15) days after Landlord's receipt of Tenant's Request, to (x) consent to the proposed assignment or subletting, (y) deny its consent to the proposed assignment or subletting, or (z) terminate this Lease by giving Tenant notice of Landlord's election hereunder ("**Recapture Notice**"), subject to Tenant's right to negate such termination as set forth in Section 17.2 hereof. If Landlord gives a Recapture Notice, this Lease shall terminate on the date which is thirty (30) days after the date of Landlord's Recapture Notice (the "**Surrender Date**"). Tenant shall vacate the Demised Premises on or before the Surrender Date in the condition required by this Lease. Effective as of the Surrender Date, neither Landlord nor Tenant shall have any further obligations under this Lease with respect to the Demised Premises, except for those accruing prior to the Surrender Date.

18. **TENANT'S DEFAULT; LANDLORD'S REMEDIES**.

18.1. If Tenant (i) fails to pay any payment of Rent as provided in this Lease and such failure continues for five (5) days following the date when due; or (ii) breaches any other agreement, covenant or obligation herein set forth and fails to cure such breach within fifteen (15) days after notice thereof from Landlord (provided, however, Tenant shall not be deemed in default with respect to any matter which, by its nature (as same shall be determined by Landlord in its sole discretion), may not be cured within fifteen (15) days, if Tenant shall promptly within such fifteen (15) day period commence to cure such default and thereafter diligently prosecute the cure to completion), Landlord may terminate this Lease upon five (5) business days' notice to Tenant sent at any time thereafter, but before Tenant has cured or removed the cause for such event of default and termination. Upon the giving of a notice as set forth above, Tenant's right to cure the cause for such event of default and termination shall cease. Such termination shall take effect on

the fifth (5^{th}) business day following the giving of such notice to Tenant, and shall be without prejudice to any remedy Landlord might otherwise have for any prior breach of covenant. If this Lease shall be terminated as herein provided, in addition to any other remedies which Landlord shall have at law or in equity, including, without limitation the right to recover the value of the unexpired term of the Lease, Landlord may reenter the Demised Premises at any time thereafter and remove therefrom Tenant, Tenant's agents and subtenants either by dispossess proceedings or by a suitable action or proceeding at law and without any liability on the part of Landlord. Tenant waives any rights to the service of any notice of Landlord's intention to re enter provided for by any present or future law.

18.2. If Landlord or Tenant retains an attorney and commences a legal proceeding as a result of a breach of any covenant of this Lease by the other party or for any other relief against the other party pertaining to this Lease or the relationship of Landlord and Tenant hereunder, or is required to defend any such action or proceeding, unless the judgment or award in such legal action or proceeding shall provide otherwise, the non prevailing party after final judgment shall pay to the prevailing party all reasonable out-of-pocket costs, expenses and reasonable attorneys' fees and disbursements that the prevailing party reasonably incurred in connection therewith.

19. **INDEMNIFICATION.**

19.1. Whether or not covered by Tenant's insurance for which Landlord is named as an additional insured, Tenant shall indemnify and hold Landlord, its officers, directors, stockholders, members, partners, representatives, employees, agents, licensees and any other party whose rights derive by, through, or under Landlord (such parties individually a "**Landlord Party**," and collectively, the "**Landlord Parties**") harmless from and against any and all losses, damages, claims, suits, actions, judgments and costs arising out of any injury to or death of persons or damage to property on or about the Demised Premises. In the event that Landlord shall become aware of same, Landlord shall provide to Tenant reasonably prompt notice of any claim for which indemnification is sought. Tenant shall have the right to settle any such claim on any terms reasonably acceptable to Tenant, provided that such settlement does not impose any obligation on Landlord or adversely affect any rights or interests of Landlord or its business. The indemnification contained in this **Section 19.1** shall include reasonable attorneys' fees and disbursements incurred by Landlord arising due to a breach of Tenant's duty to defend or indemnify.

20. **SURRENDER AND EARLY TERMINATION.**

20.1. Upon the expiration of the Term or the sooner termination of this Lease, Tenant shall peaceably and quietly surrender and yield to Landlord the entire Demised Premises, with all improvements thereon, free and clear of all lettings, subleases, occupancies, security agreements, liens or encumbrances in good order and condition, reasonable wear and tear excepted, subject to the provisions of Article 5.

20.2. If Tenant fails to surrender possession of the Demised Premises at the expiration of the Term, such failure shall constitute a "holding-over" by Tenant for which Tenant is and shall be primarily liable, which possession shall be, a month to month tenancy, subject to all of the provisions of this Lease, except that the Fixed Rent shall be two hundred (200%) percent of the Fixed Rent in effect during the last month of the Term. Nothing contained in this Lease shall be deemed a consent or acquiescence by Landlord to any such "holding-over." Tenant agrees to indemnify and save Landlord harmless from and against all claims, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) resulting from delay by Tenant in surrendering the Demised Premises, including, without limitation, any claims made by any succeeding tenant founded on such delay, even if such claim of damage shall be deemed to be consequential in nature.

21. **NO WAIVER.**

Neither the failure of a party to complain of any act or omission on the part of the other party (however long the same may continue), nor the payment or acceptance of rent, nor the performance of any obligation, shall be deemed to be a waiver of any rights hereunder or of the right to recover the amount of any payment or the cost of any performance made or done under protest, whether or not such protest was made in writing. No waiver by either party shall be effective unless in writing and signed by the party asserted to have made such waiver. No waiver of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the grant of such consent or approval on any one occasion shall not be deemed a consent to or approval of that action on any subsequent occasion or of any other action on the same or any subsequent occasion.

22. **QUIET ENJOYMENT.**

Landlord covenants and agrees that upon Tenant's timely performance of the covenants and provisions of this Lease on Tenant's part to be performed and observed, Tenant shall peaceably and quietly enjoy the Demised Premises without disturbance by or from Landlord, subject to terms and conditions of this Lease and any instrument to which this Lease is subordinate.

23. **JURY WAIVER WAIVER OF COUNTERCLAIMS.**

LANDLORD AND TENANT HEREBY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY CLAIM, ACTION, PROCEEDING OR COUNTERCLAIM BY EITHER LANDLORD OR TENANT AGAINST EACH OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE

DEMISED PREMISES. It is further mutually agreed that in the event Landlord commences any summary proceedings for non payment of any Rent, Tenant will not interpose any non-compulsory counterclaim of whatever nature or description in any such proceeding.

24. **ESTOPPEL CERTIFICATES.**

Tenant shall at any time and from time to time, upon not less than ten (10) business days prior written request by Landlord, execute, acknowledge and deliver to Landlord, a written certificate certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Fixed Rent and additional rent have been paid in advance, if any; (c) whether or not there is any existing default or Event of Default under this Lease and, if so, specifying each such default; (d) whether or not any event has occurred or failed to occur which, with the passage of time or the giving of notice or both, would constitute such a default and, if so, specifying each such event; and (e) to such other matters as Landlord shall reasonably request.

25. **NOTICES.**

All notices, demands and other communications that must or may be given or made in connection with this Lease must be in writing and delivered by reputable overnight courier which provides for receipted delivery (*e.g.* Federal Express, Airborne, UPS), or sent by certified mail, postage prepaid, to the addresses set forth first above.

Any notice given hereunder by overnight mail shall be deemed delivered when received or when receipt is refused as evidenced by the records of the courier service. Any properly addressed notice given herein by certified mail shall be deemed delivered when the return receipt thereof is signed, except that any notice which is (according to the terms of this **Article 25**) correctly addressed, but which is returned by the postal service as undeliverable or not accepted, shall be deemed to have been received on the earliest date on which the postal service attempted delivery as indicated by postal service endorsement on the return receipt form. Any party, by written notice to the other, may designate another or different address to which notices for the designating party shall be sent, but such notice shall only be deemed given upon receipt and shall be effective ten (10) business days after receipt.

26. **BROKER.**

Landlord and Tenant represent to each other that neither they nor their affiliates have dealt with any broker or person, licensed or otherwise, in connection with the transaction herein contemplated or with regard to the Demised Premises, or had any communication with Tenant or Landlord in regard to the same, or was employed by Tenant or Landlord. If any claim is made for brokerage commissions with respect to the Demised Premises as a result of acts or actions of either party or their respective successors and assigns, Landlord and Tenant each hereby agree to indemnify, defend and hold the other harmless from and against any and all such claims. Landlord and Tenant agree that the foregoing representations shall inure to the benefit of the other party's successors or assigns. Landlord and Tenant each agree to give testimony to that effect in case any action or proceeding is instituted by any real estate broker or any person, licensed or otherwise, in connection with this transaction. The provisions of this **Article 26** shall survive the termination or expiration of this Lease.

27. **LIABILITY FOR PAYMENTS.**

Any liability for the payment by Landlord or Tenant of any money hereunder, including additional rent, shall survive the expiration of the Term or earlier termination of this Lease.

28. **SUBORDINATION TO MORTGAGES.**

28.1. This Lease is and shall be subject and subordinate to (i) any and all mortgages now or hereafter affecting the fee title to the Demised Premises, and to any and all present and future extensions, modifications, renewals, replacements and amendments thereof; and (ii) any and all ground leases now or hereafter affecting the Demised Premises or any part thereof and to any and all extensions, modifications, renewals, replacements and amendments thereof. Tenant will execute and deliver promptly to Landlord any certificate or instrument which Landlord, from time to time, may request for confirmation of the provisions of this Section.

28.2. Neither the foreclosure of a superior mortgage nor the termination of a superior ground lease, nor the institution of any suit, action, summary or other proceedings by Landlord or any successor landlord under such ground lease or by the holder of any such mortgage, shall, by operation

of law, result in the cancellation or termination of the obligations of Tenant hereunder, and Tenant agrees to attorn to and recognize Landlord and any successor landlord under such ground lease or the holder of any such mortgage, or the purchaser of the Demised Premises in foreclosure or any subsequent owner of the fee, as the case may be, as Tenant's landlord hereunder in the event that any of them shall succeed to Landlord's interest in the Premises.

29. **LIMITATION OF LANDLORD'S LIABILITY.**

Notwithstanding anything contained to the contrary in this Lease, whether expressed or implied, it is agreed that Tenant (and anyone claiming by, through or under Tenant, including Tenant's principals, agents, representatives or employees) shall look only to Landlord's estate, property and interest in and to the Demised Premises in the event of any claim against Landlord arising out of or in connection with this Lease or the relationship of Landlord and Tenant.

30. **ENTIRE AGREEMENT.**

This Lease sets forth all of the agreements, conditions and understandings between Landlord and Tenant relative to the Demised Premises, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between them other than as herein set forth. Any agreements between Landlord and Tenant prior to the date hereof are merged herein.

31. **NO ORAL MODIFICATION.**

Any agreement hereafter made shall be ineffective to change, waive, modify, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is in writing and signed by the party against whom such change, waiver, modification, discharge, termination or abandonment is sought to be enforced.

32. **SUCCESSORS AND ASSIGNS.**

The covenants and agreements herein contained shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors and permitted assigns.

33. **SECTION HEADINGS.**

The section headings are inserted herein only for convenience and are in no way to be construed as a part of this Lease or as a limitation in the scope of the particular paragraphs or sections to which they refer.

34. **INVALIDITY OF PARTICULAR PROVISIONS.**

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

35. **CONSTRUCTION OF TERMS.**

35.1. The terms "Landlord" and "Tenant" whenever used herein, and except as may otherwise be provided herein, shall mean only the owner at the time of Landlord's or Tenant's interest herein, and, upon any sale or assignment of the interest of either Landlord or Tenant herein, their respective successors in interest or assigns shall, during the term of their ownership of their respective estates herein, be deemed to be Landlord or Tenant, as the case may be, except that the foregoing shall not be deemed to release any entity constituting the Landlord or the Tenant from liability under this Lease.

35.2. The words "herein", "hereunder", "hereinabove", "hereinafter", or similar words shall be deemed to refer to this entire Lease, unless expressly stated to the contrary. The terms "include", "including" and words of similar import shall be construed as if followed by the phrase "without limitation". The words "such as" and "including" shall not be deemed to limit the generality of the term or clause to which it has reference, whether or not non limiting language (such as import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that would reasonably fall within the broadest possible scope of such general statement, term or matter.

36. **NO OFFER.**

This Lease shall neither be deemed to be an offer to lease or sell all or any part of the Demised Premises nor shall it be binding or effective for any purpose whatsoever unless and until this Lease is executed and acknowledged by Landlord and Tenant and originals thereof exchanged and delivered.

37. **RIGHT OF FIRST REFUSAL.**

In the event that Landlord shall at any time during the Term hereof desire to sell the Property, inclusive of said portion of the real property on which the Premises are located pursuant to any bona fide arms length written offer ("Offer") which it shall have received, it shall offer said Property to Tenant at the same price and terms as that contained in the Offer. Tenant shall have ten (10) days from and after receipt of the Offer to accept or reject Landlord's offer to sell said Property to Tenant consistent with the terms of the Offer ("Right of First Refusal"). If Tenant shall notify Landlord of its intent not to purchase such Property or if Tenant shall give no notice within the aforementioned ten (10) day time period, Tenant's Right of First Refusal shall be deemed to be void, forfeited, of no further force or effect and shall no longer apply to the Property. Upon such forfeiture, Landlord may accept the Offer and proceed with the sale thereunder. If Tenant notifies Landlord within the aforementioned ten (10) day period that it elects to purchase such Property consistent with the terms of the Offer, Landlord shall prepare a contract of sale for the Property ("Contract") forthwith which shall contain all of the terms of the Offer and such other terms and conditions as Landlord shall require and the Tenant shall execute and deliver such executed Contract to Landlord, within ten (10) days of Tenant's receipt of the Contract. In exercising its Right of First Refusal, Tenant may not deviate from the terms of the Offer. If after entering into the Contract, Tenant fails to close title on the Property, Tenant's Right of First Refusal shall be deemed to be void, forfeited, of

no further force or effect and shall no longer apply to the Property. The Right of First Refusal shall be personal to Tenant and shall not be transferable. Sale or transfer of all or any portion of the Property to any parent, affiliate, subsidiary, related party or entity sharing common ownership with Landlord or to any entity resulting from a merger or consolidation with Landlord, or any entity purchasing all or substantially all of the business and assets of Landlord or any entity purchasing all or substantially all of the stock or ownership interests in Landlord or the transfer of stock or ownership interests between and among exsitng shareholders and their family members, whether as a result of death, devise, bequest, gift, inheritance, intestacy or estate planning purposes shall not be subject to Tenant's Right of First Refusal.

38. **MISCELLANEOUS.**

38.1. Tenant may not record this Lease.

38.2. The provisions hereof shall be construed in accordance with the laws of the State of New Jersey applicable to agreements made and to be performed wholly within the State of New Jersey.

38.3. The Exhibits and Schedules, if any, attached to this Lease shall be deemed a part of this instrument for all purposes.

38.4. This Lease or the signature pages hereof, may be executed in any number of original counterparts, all of which evidence only one agreement and only one full and complete copy of which need be produced for any purpose. A facsimile of a signature or a signature transmitted by other electronic means will have the same legal effect as an originally drawn signature.

38.5. The time for the performance of any act required to be done by either party, other than Tenant's obligation to pay Rent, shall be extended by a period equal to any delay caused by or resulting from act of God, war, civil commotion, fire, casualty, labor difficulties, shortages of labor

or materials or equipment, governmental regulation, a restraint of law (*e.g*., injunctions, court or administrative orders or a legal, construction or utility moratorium imposed by a Governmental Authority), act or default of the other party, or other causes beyond such party's reasonable control (which shall not, however, include the availability of funds), whether such time be designated by a fixed date, a fixed time or otherwise.

38.6. There shall be no merger of this Lease, nor of the leasehold estate created by this Lease, with the Landlord's fee estate in the Demised Premises or any superior leasehold estate by reason of the fact that this Lease or the leasehold estate created by this Lease or any interest in this Lease or any such leasehold estate may be held, directly or indirectly, by or for the account of any person or persons who shall own the fee estate in the land, or any superior leasehold estate or any interest therein. No such merger shall occur unless and until all persons at the time having an interest in the fee estate in the land, or any such superior leasehold estate, and all persons having an interest in this Lease, or in the leasehold estate created by this Lease, shall join in a written instrument effecting such merger and shall duly record the same.

38.7. The Tenant's obligations under this Lease shall be guaranteed by Terra Tech Corp., a Nevada corporation, Tenant's parent company pursuant to the terms of the form guaranty attached hereto as **Exhibit B**.

39. **TENANT TERMINATION**.

39.1. Tenant shall have the right, from and after the ten year (10) anniversary of the Commencement Date and three (3) months from the date thereafter, to cancel this Lease and be relieved of all liability hereunder, provided:

39.2. Tenant shall notify Landlord in accordance with the notice provisions heruender, of Tenant's intention to terminate this Lease and deliver possession of the Demised Premises to Landlord.

39.3. That at the time of the delivery of possession of the Demised Premises Tenant shall have paid all amounts due and owing to Landlord under the terms of this Lease, inclusive of Percentage Rent.

39.4. That Tenant has complied with all other of its obligations under the Lease to the date of the termination of this Lease.

39.5. That Tenant shall deliver the Demised Premises to Landlord in broom clean condition and with all improvements in the Demised

Premises in good working order, condition and repair.

39.6. Said termination shall not be effective until thirty (30) days after receipt of the required written notice to Landlord and payment to Landlord of all amounts outstanding hereunder. Tenant acknowledges that in the event of such early termination of this Lease, the Security Deposit shall be forfeited to Landlord as liquidated damages.

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

WITNESS/ATTEST: **WHITETOWN REALTY, LLC**

By: */s/ Dave Vande Vrede*
Name: Dave Vande Vrede
Title:

EDIBLE GARDEN CORP.

By: */s/ Michael James*
Name: Michael James
Title: Chief Finanical Officer

EXHIBIT A

Legal Description of the Demised Premises

SCHEDULE 1

FIXED RENT SCHEDULE

RENT SCHEDULE

TERM	ANNUAL FIXED RENT	MONTHLY FIXED RENT
Initial Term	$ 168,000.00	
Lease Year 1	$ 168,000.00	$ 14,000.00
Lease Year 2	$ 170,520.00	$ 14,210.00
Lease Year 3	$ 173,077.80	$ 14,423.15
Lease Year 4	$ 175,673.97	$ 14,639.50
Lease Year 5	$ 178,309.08	$ 14,859.09
Lease Year 6	$ 180,983.71	$ 15,081.98
Lease Year 7	$ 183,698.47	$ 15,308.21
Lease Year 8	$ 186,453.95	$ 15,537.83
Lease Year 9	$ 189,250.75	$ 15,770.90
Lease Year 10	$ 192,089.52	$ 16,007.46
Lease Year 11	$ 194,970.86	$ 16,247.57
Lease Year 12	$ 197,895.42	$ 16,491.29
Lease Year 13	$ 200,863.85	$ 16,738.65
Lease Year 14	$ 203,876.81	$ 16,989.73
Lease Year 15	$ 206,934.96	$ 17,244.58
First Extension Term		
Lease Year 16	$ 210,038.99	$ 17,503.25
Lease Year 17	$ 213,189.57	$ 17,765.80
Lease Year 18	$ 216,387.42	$ 18,032.28
Lease Year 19	$ 219,633.23	$ 18,302.77
Lease Year 20	$ 222,927.73	$ 18,577.31
Second Extension Term		
Lease Year 21	$ 226,271.64	$ 18,855.97
Lease Year 22	$ 229,665.72	$ 19,138.81
Lease Year 23	$ 233,110.70	$ 19,425.89
Lease Year 24	$ 236,607.36	$ 19,717.28
Lease Year 25	$ 240,156.47	$ 20,013.04

EXHIBIT B

FORM OF GUARANTY

This GUARANTY (this "Guaranty") is executed as of _____ __, 2015 by_____, a _____, with an address at _____ ("Guarantor"), for the benefit of, Whittown Realty, LLC ("Landlord").

W I T N E S S E T H:

A. Landlord and Edible Garden Corp. ("Tenant"), simultaneously herewith, intend on entering into that certain Lease of even date herewith ("Lease") for premises identified as a portion of Block 30, Lot 8 as shown on the Tax Map of White Township, Warren County, New Jersey.

B. Landlord is not willing to enter into the Lease with Tenant unless Guarantor unconditionally guarantees the payment and performance to Landlord of the Guaranteed Obligations (as herein defined).

C. Tenant is a wholly owned subsidiary of Guarantor and Guarantor will directly benefit from Landlord entering into the Lease with Tenant.

NOW, THEREFORE, as an inducement to Landlord to enter into the Lease, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE 1
NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligations. The Guarantor hereby jointly and severally guarantees to Landlord and its successors and assigns the Tenant's obligations under the Lease and all other amounts from time to time owing to Landlord by Tenant under the Lease (such obligations being herein collectively called the "Guaranteed Obligations"). The Guarantor hereby further jointly and severally agrees that if Tenant shall fail to pay in full when due (whether by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether by acceleration or otherwise) in accordance with the terms thereof. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. Notwithstanding anything to the contrary in this Guaranty or in the Lease, Landlord shall not be deemed to have waived any right which Landlord may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Guaranteed Obligations.

Section 1.2 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor. The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of any Guarantor to Landlord with respect to the Guaranteed Obligations. This Guaranty may be enforced by Landlord and any subsequent holder of Landlord's interest in the Lease and shall not be discharged by the assignment or negotiation of all or part of the Landlord's interest in the Lease.

Section 1.3 Guaranteed Obligations Not Reduced by Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Landlord hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Tenant or any other party against Landlord or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 1.4 Payment By Guarantor. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, acceleration or otherwise, Guarantor shall, immediately upon demand by Landlord and without presentment, protest, notice of protest, notice of non-payment, or any other notice whatsoever, all such notices being hereby waived by Guarantor, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Landlord at Landlord's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.5 No Duty To Pursue Others. It shall not be necessary for Landlord (and Guarantor hereby waives any rights which such Guarantor may have to require Landlord), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Tenant or others liable on the Loans or the Guaranteed Obligations or any other Person, (ii) join Tenant or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, or (iii) resort to any other means of obtaining payment of the Guaranteed Obligations. Landlord shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.6 Waivers. Guarantor agrees to the provisions of the Lease and hereby waives notice of (i) acceptance of this Guaranty, (ii) any amendment or extension of the Lease, (iii) the execution and delivery by Tenant and Landlord of any other agreement arising under the Lease, (v) the occurrence of (A) any breach by Tenant of any of the terms or conditions of the Lease, or (B) an Event of Default, (vi) Landlord's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) protest, proof of non-payment or default by Tenant, or (vii) any other action at any time taken or omitted by Landlord and, generally, all demands and notices of every kind in connection with this Guaranty, the Lease, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations.

Section 1.7 Payment of Expenses. In the event that Guarantor shall breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, immediately upon demand by Landlord, pay Landlord all costs and expenses (including court costs and attorneys' fees) incurred by Landlord in the enforcement hereof or the preservation of Landlord's rights hereunder, together with interest thereon at the rate set forth in the Lease from the date requested by Landlord until the date of payment to Landlord. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

Section 1.8 Effect of Bankruptcy. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Landlord must rescind or restore any payment or any part thereof received by Landlord in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Landlord shall be without effect and this Guaranty shall remain (or shall be reinstated to be) in full force and effect. It is the intention of Tenant and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

Section 1.9 Waiver of Subrogation, Reimbursement and Contribution. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Landlord), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Tenant or any other party liable for the payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise.

ARTICLE 2
EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTORS' OBLIGATIONS

Guarantor hereby consents and agrees to each of the following and agrees that such Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which such Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 Modifications. Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the Lease or any other document, instrument, contract or understanding between Tenant and Landlord or any other parties pertaining to the Guaranteed Obligations or any failure of Landlord to notify Guarantor of any such action.

Section 2.2 Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Landlord to Tenant or any Guarantor.

Section 2.3 Condition of Tenant or Guarantors. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Tenant, any Guarantor or any other person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Tenant or any Guarantor or any sale, lease or transfer of any or all of the assets of Tenant or any Guarantor or any changes in the direct or indirect shareholders, partners or members, as applicable, of Tenant or any Guarantor; or any reorganization of Tenant or any Guarantor.

Section 2.4 Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Lease or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Tenant has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Tenant, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Lease has been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Tenant or any other Person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 Release of Obligors. Any full or partial release of the liability of Tenant for the Guaranteed Obligations or any part thereof, or of any other person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by each Guarantor that such Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other person, and no Guarantor has been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other persons (including Tenant) will be liable to pay or perform the Guaranteed Obligations or that Landlord will look to other persons (including Tenant) to pay or perform the Guaranteed Obligations.

Section 2.6 Other Collateral. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Landlord hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Tenant against Landlord, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 2.8 Merger. The reorganization, merger or consolidation of Tenant or any Guarantor into or with any other Person.

Section 2.9 Preference. Any payment by Tenant to Landlord is held to constitute a preference under bankruptcy laws or for any reason Landlord is required to refund such payment or pay such amount to Tenant or to any other Person.

Section 2.10 Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Lease or the Guaranteed Obligations, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor that it shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

To induce Landlord to enter into the Lease, Guarantor represents and warrants to Landlord as follows:

Section 3.1 Benefit. Guarantor is the owner of a direct or indirect interest in Tenant and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 No Representation By Landlord. Neither Landlord nor any other party has made any representation, warranty or statement to any Guarantor in order to induce such Guarantor to execute this Guaranty.

Section 3.3 Guarantor's Financial Condition. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor (a) is and will be solvent, (b) has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (c) has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations.

Section 3.4 Legality. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, contract, agreement or other instrument to which Guarantor is a party or which may be applicable to such Guarantor. This Guaranty is a legal and binding obligation of each Guarantor and is enforceable against such Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.5 Survival. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE 4
SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term **"Guarantor Claims"** shall mean all debts and liabilities of Tenant to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of Tenant thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be, created, or the manner in which they have been, or may hereafter be, acquired by Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Tenant (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as any portion of the Obligations or the Guaranteed Obligations remain outstanding, no Guarantor shall receive or collect, directly or indirectly, from Tenant or any other Person any amount upon the Guarantor Claims.

Section 4.2 Claims in Bankruptcy. In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceeding involving any Guarantor as a debtor, Landlord shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Landlord. Should Landlord receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to any Guarantor and which, as between Tenant and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Landlord in full of the Obligations and the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Landlord to the extent that such payments to Landlord on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Landlord had not received dividends or payments upon the Guarantor Claims.

ARTICLE 5
MISCELLANEOUS

Section 5.1 Waiver. No failure to exercise, and no delay in exercising, on the part of Landlord, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Landlord hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor any consent to any departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.2 Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a **"Notice"**) required, permitted or desired to be given hereunder shall be in writing and shall be sent in accordance with the notice provisions contained in the Lease, in each case addressed to the parties as follows:

Guarantor

_____
_____

with a copy to:

Landlord:

Whitetown Realty, LLC
30 Hillview Road
Lincoln Park, New Jersey 07035

with a copy to:

Porzio Bromberg & Newman P.C.
100 Southgate Parkway
Morristown, NJ 07962
Attn: Christopher F. Schultz, Esq.

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section.

Section 5.3 **Governing Law; Jurisdiction; Service of Process. THIS GUARANTY AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW JERSEY (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA.**

Section 5.4 Invalid Provisions. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 5.5 Amendments. This Guaranty may be amended only by an instrument in writing executed by the party(ies) against whom such amendment is sought to be enforced.

Section 5.6 Parties Bound; Assignment. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. Landlord shall have the right to assign or transfer its rights under this Guaranty. Any assignee or transferee of Landlord shall be entitled to all the benefits afforded to Landlord under this Guaranty. No Guarantor shall have the right to assign or transfer its rights or obligations under this Assignment without the prior written consent of Landlord, and any attempted assignment without such consent shall be null and void.

Section 5.7 Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 5.8 Recitals. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered *prima facie* evidence of the facts and documents referred to therein.

Section 5.9 Counterparts. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

Section 5.10 Rights and Remedies. If any Guarantor becomes liable for any indebtedness owing by Tenant to Landlord, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Landlord hereunder shall be cumulative of any and all other rights that Landlord may ever have against Guarantor. The exercise by Landlord of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 5.11 **Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LANDLORD WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LANDLORD AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LANDLORD, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LANDLORD.**

Section 5.12 **Waiver of Right To Trial By Jury. GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, OR THE LEASE, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**

Section 5.13 Reinstatement in Certain Circumstances. If at any time any amount payable by Tenant under the Lease is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Tenant or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 5.14 Gender; Number; General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, (c) the word "Landlord" shall mean "Landlord and any subsequent holder of Landlord's interest in the Lease", (d) the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Landlord in protecting its interest and/or enforcing its rights under the Lease.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

_____

ADDRESS:

_____

_____

ACKNOWLEDGMENTS

STATE OF NEW)

) SS:

COUNTY OF _____)

I CERTIFY that on this _____ day of _____ 2014, _____ personally came before me and this person acknowledged under oath, to my satisfaction, that:

(a) he is the maker of the attached instrument; and
(b) executed this instrument as _____ of _____.

_____

Sworn and subscribed to
before me this _____ day
of _____ 2014.

_____
(Notary Public)

EXHIBIT 10.26

GUARANTY

This GUARANTY (this "Guaranty") is executed as of January 1, 2015 by**TERRA TECH CORP.,** a Nevada corporation, with an address 4700 Von Karman, Suite 110, Newport Beach, California 92660 at ("Guarantor"), for the benefit of, Whitetown Realty, LLC ("Landlord").

WITNESSETH:

A. Landlord and Edible Garden Corp. ("Tenant"), simultaneously herewith, intend on entering into that certain Lease of even date herewith ("Lease") for premises identified as a portion of Block 30, Lot 8 as shown on the Tax Map of White Township, Warren County, New Jersey.

B. Landlord is not willing to enter into the Lease with Tenant unless Guarantor unconditionally guarantees the payment and performance to Landlord of the Guaranteed Obligations (as herein defined).

C. Tenant is a wholly owned subsidiary of Guarantor and Guarantor will directly benefit from Landlord entering into the Lease with Tenant.

NOW, THEREFORE, as an inducement to Landlord to enter into the Lease, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE 1
NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligations. The Guarantor hereby jointly and severally guarantees to Landlord and its successors and assigns the Tenant's obligations under the Lease and all other amounts from time to time owing to Landlord by Tenant under the Lease (such obligations being herein collectively called the "Guaranteed Obligations"). The Guarantor hereby further jointly and severally agrees that if Tenant shall fail to pay in full when due (whether by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether by acceleration or otherwise) in accordance with the terms thereof. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. Notwithstanding anything to the contrary in this Guaranty or in the Lease, Landlord shall not be deemed to have waived any right which Landlord may have under Section 506(a), 506(b), 1111(b) or any other provisions of the Bankruptcy Code to file a claim for the full amount of the Guaranteed Obligations.

Section 1.2 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor. The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of any Guarantor to Landlord with respect to the Guaranteed Obligations. This Guaranty may be enforced by Landlord and any subsequent holder of Landlord's interest in the Lease and shall not be discharged by the assignment or negotiation of all or part of the Landlord's interest in the Lease.

Section 1.3 Guaranteed Obligations Not Reduced by Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Landlord hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Tenant or any other party against Landlord or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 1.4 Payment By Guarantor. If all or any part of the Guaranteed Obligations shall not be punctually paid when due, whether at demand, acceleration or otherwise, Guarantor shall, immediately upon demand by Landlord and without presentment, protest, notice of protest, notice of non-payment, or any other notice whatsoever, all such notices being hereby waived by Guarantor, pay in lawful money of the United States of America, the amount due on the Guaranteed Obligations to Landlord at Landlord's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

Section 1.5 No Duty To Pursue Others. It shall not be necessary for Landlord (and Guarantor hereby waives any rights which such Guarantor may have to require Landlord), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Tenant or others liable on the Loans or the Guaranteed Obligations or any other Person, (ii) join Tenant or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, or (iii) resort to any other means of obtaining payment of the Guaranteed Obligations. Landlord shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

Section 1.6 Waivers. Guarantor agrees to the provisions of the Lease and hereby waives notice of (i) acceptance of this Guaranty, (ii) any amendment or extension of the Lease, (iii) the execution and delivery by Tenant and Landlord of any other agreement arising under the Lease, (v) the occurrence of (A) any breach by Tenant of any of the terms or conditions of the Lease, or (B) an Event of Default, (vi) Landlord's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vii) protest, proof of non-payment or default by Tenant, or (vii) any other action at any time taken or omitted by Landlord and, generally, all demands and notices of every kind in connection with this Guaranty, the Lease, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations.

Section 1.7 Payment of Expenses. In the event that Guarantor shall breach or fail to timely perform any provisions of this Guaranty, Guarantor

shall, immediately upon demand by Landlord, pay Landlord all costs and expenses (including court costs and attorneys' fees incurred by Landlord in the enforcement hereof or the preservation of Landlord's rights hereunder, together with interest thereon at the rate set forth in the Lease from the date requested by Landlord until the date of payment to Landlord. The covenant contained in this Section shall survive the payment and performance of the Guaranteed Obligations.

Section 1.8 Effect of Bankruptcy. In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, Landlord must rescind or restore any payment or any part thereof received by Landlord in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Landlord shall be without effect and this Guaranty shall remain (or shall be reinstated to be) in full force and effect. It is the intention of Tenant and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such

performance.

Section 1.9 Waiver of Subrogation, Reimbursement and Contribution. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Landlord), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Tenant or any other party liable for the payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise.

ARTICLE 2
EVENTS AND CIRCUMSTANCES NOT REDUCING
OR DISCHARGING GUARANTORS' OBLIGATIONS

Guarantor hereby consents and agrees to each of the following and agrees that such Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which such Guarantor might otherwise have as a result of or in connection with any of the following:

Section 2.1 Modifications. Any renewal, extension, increase, modification, alteration

or rearrangement of all or any part of the Guaranteed Obligations, the Lease or any other document, instrument, contract or understanding between Tenant and Landlord or any other parties pertaining to the Guaranteed Obligations or any failure of Landlord to notify Guarantor of any such action.

Section 2.2 Adjustment. Any adjustment, indulgence, forbearance or compromise that might be granted or given by Landlord to Tenant or any Guarantor.

Section 2.3 Condition of Tenant or Guarantors. The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Tenant, any Guarantor or any other person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of Tenant or any Guarantor or any sale, lease or transfer of any or all of the assets of Tenant or any Guarantor or any changes in the direct or indirect shareholders, partners or members, as applicable, of Tenant or any Guarantor; or any reorganization of Tenant or any Guarantor.

Section 2.4 Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Lease or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) the Tenant has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Tenant, (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, or (vii) the Lease has been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Tenant or any other Person be found not liable on the Guaranteed Obligations or any part thereof for any reason.

Section 2.5 Release of Obligors. Any full or partial release of the liability of Tenant for the Guaranteed Obligations or any part thereof, or of any other person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, it being recognized, acknowledged and agreed by each Guarantor that such Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other person, and no Guarantor has been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other persons (including Tenant) will be liable to pay or perform the Guaranteed Obligations or that Landlord will look to other persons (including Tenant) to pay or perform the Guaranteed Obligations.

Section 2.6 Other Collateral. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations.

Section 2.7 Offset. The Guaranteed Obligations and the liabilities and obligations of Guarantor to Landlord hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense of Tenant against Landlord, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

Section 2.8 Merger. The reorganization, merger or consolidation of Tenant or any Guarantor into or with any other Person.

Section 2.9 Preference. Any payment by Tenant to Landlord is held to constitute a preference under bankruptcy laws or for any reason Landlord is required to refund such payment or pay such amount to Tenant or to any other Person.

Section 2.10 Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Lease or the Guaranteed Obligations, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor that it shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

To induce Landlord to enter into the Lease, Guarantor represents and warrants to Landlord as follows:

Section 3.1 Benefit. Guarantor is the owner of a direct or indirect interest in Tenant and has received, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

Section 3.2 No Representation By Landlord. Neither Landlord nor any other party has made any representation, warranty or statement to any Guarantor in order to induce such Guarantor to execute this Guaranty.

Section 3.3 Guarantor's Financial Condition. As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor (a) is and will be solvent, (b) has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (c) has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations.

Section 3.4 Legality. The execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, contract, agreement or other instrument to which Guarantor is a party or which may be applicable to such Guarantor. This Guaranty is a legal and binding obligation of each Guarantor and is enforceable against such Guarantor in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.5 Survival. All representations and warranties made by Guarantor herein shall survive the execution hereof.

ARTICLE 4
SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term **"Guarantor Claims"** shall mean all debts and liabilities of Tenant to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of Tenant thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be, created, or the manner in which they have been, or may hereafter be, acquired by Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of Guarantor against Tenant (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as any portion of the Obligations or the Guaranteed Obligations remain outstanding, no Guarantor shall receive or collect, directly or indirectly, from Tenant or any other Person any amount upon the Guarantor Claims.

Section 4.2 Claims in Bankruptcy. In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceeding involving any Guarantor as a debtor, Landlord shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor hereby assigns such dividends and payments to Landlord. Should Landlord receive, for application against the Guaranteed Obligations, any dividend or payment which is otherwise payable to any Guarantor and which, as between Tenant and Guarantor, shall constitute a credit against the Guarantor Claims, then, upon payment to Landlord in full of the Obligations and the Guaranteed Obligations, Guarantor shall become subrogated to the rights of Landlord to the extent that such payments to Landlord on the Guarantor Claims have contributed toward the liquidation of the Guaranteed Obligations, and such subrogation shall be with respect to that proportion of the Guaranteed Obligations which would have been unpaid if Landlord had not received dividends or payments upon the Guarantor Claims.

ARTICLE 5
MISCELLANEOUS

Section 5.1 Waiver. No failure to exercise, and no delay in exercising, on the part of Landlord, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Landlord hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor any consent to any departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.2 Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a **"Notice**") required, permitted or desired to be give hereunder shall be in writing and shall be sent in accordance with the notice provisions contained in the Lease, in each case addressed to the parties as follows:

Guarantor:

Terra Tech Corp.
4700 Von Karman, Suite 110
Newport Beach, California 92660

with a copy to:

Baker & Hostetler LLP
600 Anton Boulevard, Suite 900
Costa Mesa, California 92626
Attention: Randolf W. Katz

Landlord:

Whitetown Realty, LLC
30 Hillview Road
Lincoln Park, New Jersey 07035

with a copy to:

Porzio Bromberg & Newman P.C. 100 Southgate Parkway
Morristown, NJ 07962
Attn: Christopher F. Schultz, Esq.

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' written notice of such change to the other parties in accordance with the provisions of this Section.

Section 5.3 **Governing Law; Jurisdiction; Service of Process. THIS GUARANTY AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW JERSEY (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA.**

Section 5.4 Invalid Provisions. If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 5.5 Amendments. This Guaranty may be amended only by an instrument in writing executed by the party(ies) against whom such amendment is sought to be enforced.

Section 5.6 Parties Bound; Assignment. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. Landlord shall have the right to assign or transfer its rights under this Guaranty. Any assignee or transferee of Landlord shall be entitled to all the benefits afforded to Landlord under this Guaranty. No Guarantor shall have the right to assign or transfer its rights or obligations under this Assignment without the prior written consent of Landlord, and any attempted assignment without such consent shall be null and void.

Section 5.7 Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

Section 5.8 Recitals. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered *prima facie* evidence of the facts and documents referred to therein.

Section 5.9 Counterparts. To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

Section 5.10 Rights and Remedies. If any Guarantor becomes liable for any indebtedness owing by Tenant to Landlord, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Landlord hereunder shall be cumulative of any and all other rights that Landlord may ever have against Guarantor. The exercise by Landlord of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 5.11 **Entirety. THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF GUARANTOR AND LANDLORD WITH RESPECT TO GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY GUARANTOR AND LANDLORD AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LANDLORD, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN GUARANTOR AND LANDLORD.**

Section 5.12 **Waiver of Right To Trial By Jury. GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, OR THE LEASE, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**

Section 5.13 Reinstatement in Certain Circumstances. If at any time any amount payable by Tenant under the Lease is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of Tenant or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 5.14 Gender; Number; General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, (c) the word "Landlord" shall mean "Landlord and any subsequent holder of Landlord's interest in the Lease", (d) the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Landlord in protecting its interest and/or enforcing its rights under the Lease.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

TERRA TECH CORP.

/s/ Michael James
Michael James, as Chief Financial Officer

ADDRESS:

4700 Von Karman, Suite 110
Newport Beach, California 92660

EXHIBIT 21.1

1. GrowOp Technology Ltd., a Nevada corporation
2. Edible Garden Corp., a Nevada corporation
3. MediFarm, LLC, a Nevada limited liability company
4. MediFarm I, LLC, a Nevada limited liability company
5. MediFarm II, LLC, a Nevada limited liability company
6. IVXX, LLC, a Nevada limited liability company
7. MediFarm I Real Estate, LLC, a Nevada limited liability company

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Derek Peterson, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2015 of Terra Tech Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 29, 2016

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Michael James, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2015 of Terra Tech Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 29, 2016

By: */s/ Michael James*
Michael James
Chief Financial Officer

EXHIBIT 32.1

Certifications of Chief Executive Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Terra Tech Corp. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 29, 2016

By: */s/ Derek Peterson*
Derek Peterson
President and Chief Executive Officer

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Terra Tech Corp. and will be retained by Terra Tech Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certifications of Chief Financial Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Terra Tech Corp. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 29, 2016

By: */s/ Michael James*
Michael James
Chief Financial Officer

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Terra Tech Corp. and will be retained by Terra Tech Corp. and furnished to the Securities and Exchange Commission or its staff upon request.