

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2018

SPAR Group, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27408
(Commission
File No.)

33-0684451
(IRS Employer
Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY
(Address of Principal Executive Offices)

10604
(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100
(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into Material Definitive Agreements.

The information set forth under Item 2.03 below is hereby incorporated by reference into this Item 1.01.

Item 1.02 Termination of a Material Definitive Agreement

In connection with our new Credit Facility described in item 2.03, below, we repaid and terminated our existing credit facility in the United States and Canada (the "Existing Sterling Facility") with Sterling National Bank ("Sterling"), which Existing Sterling Facility has been described in our previous Annual and Quarterly Reports (see, for example, Liquidity and Capital Resources in Item 2 - Management's Discussion and Analysis of Financial Condition, Results of Operations, Liquidity and Capital Resources, and Note 5 to Consolidated Financial Statements - *Credit Facilities - Sterling Credit Facility*, in our Quarterly Report on Form 10-Q for the quarter and period ended September 30, 2017 (as filed with the SEC on November 14, 2017), and Sterling released its security interests in our assets. The PNC Loan Agreement, PNC Note, PNC Guaranty and PNC Security Agreement (as such terms are defined in Item 2.03, below) replace the similar financing documents we previously had with Sterling and mutually terminated in connection with our new PNC Credit Facility

Item 2.03 Creation of a Direct Financial Obligation.

On January 16, 2018, we, SPAR Group, Inc. ("we", "SGRP" or the "Registrant"), repaid and replaced its Existing Sterling Facility with a new secured revolving credit facility in the United States and Canada (the "PNC Credit Facility") with PNC Bank, National Association ("PNC").

In order to obtain, document and govern the new PNC Credit Facility: SGRP and certain of its direct and indirect subsidiaries in the United States and Canada, namely SPAR Marketing Force, Inc., SPAR Assembly & Installation, Inc., and SPAR Canada Company (each, a "PNC Borrower" and collectively, the "PNC Borrowers"), and SPAR Canada, Inc., SPAR Acquisition, Inc., SPAR Group International, Inc., and SPAR Trademarks, Inc. (together with SGRP, each a "PNC Guarantor" and collectively, the "PNC Guarantors"), entered into a Loan Agreement with PNC dated as of January 16, 2018 (the "PNC Loan Agreement"); the PNC Borrowers issued their US\$9,000,000.00 Committed Line Of Credit Note to PNC dated January 16, 2018 (the "PNC Note"), which evidences the PNC Borrowers' loans and other obligations to PNC; the PNC Guarantors entered into a Guaranty and Suretyship Agreement with PNC dated as of January 16, 2018 (the "PNC Guaranty"), which guaranties the PNC Borrowers' loans and other obligations to PNC; and the PNC Borrowers and PNC Guarantors (each, a "PNC Loan Party" and collectively, the "PNC Loan Parties") entered into a Security Agreement with PNC dated as of January 16, 2018 (the "PNC Security Agreement"), which secures the obligations of the PNC Loan Parties to PNC with pledges of substantially all of the assets of the PNC Loan Parties (other than SGRP's foreign subsidiaries, certain designated domestic subsidiaries, and their respective equity and assets).

The PNC Note currently requires the PNC Borrowers to pay interest on the loans thereunder equal to (A) the Daily LIBOR Rate (as defined therein) per annum, plus (B) two hundred fifty basis points (2.50%). On January 16, 2018, the aggregate interest rate under that formula was 4.06% per annum.

Revolving Loans of up to US\$9 million are available to the PNC Borrowers under the PNC Credit Facility based upon the borrowing base formula defined in the PNC Loan Agreement (principally 85% of "eligible" accounts receivable less certain reserves). The PNC Note is currently scheduled to become due on January 16, 2020, when (among other things) the loans and other monetary obligations of the PNC Borrowers and other PNC Loan Parties must be repaid in full and the ability ends to borrow additional loans.

On January 16, 2018, the PNC Borrowers drew down an initial advances under the Credit Facility of approximately US\$7.6 million, which was used to repay the existing facility with Sterling, and the PNC Borrowers had unused availability under the Credit Facility of approximately US\$1.4 million.

The new Credit Facility contains certain financial and other restrictive covenants and also limits certain expenditures by the PNC Loan Parties, including (without limitation) capital expenditures and other investments. On January 16, 2018, the PNC Loan Parties were in compliance with the covenants and does not expect to be in violation at future measurement dates. However, there can be no assurances that the PNC Loan Parties Company will not be in violation of certain covenants in the future, and should the PNC Loan Parties be in violation; there can be no assurances that PNC will issue waivers for any such future violations.

A copy of the PNC Loan Agreement, PNC Note, PNC Guaranty and PNC Security Agreement are attached to this Report as Exhibits 99.1 through 99.4, and are hereby incorporated by reference herein (into this Item 2.03 and this Report). The foregoing summary of the PNC Credit Facility is qualified in its entirety by reference to the above referenced loan documents

Item 7.01 Regulation FD Disclosure.

The information set forth under Item 2.03 above is hereby incorporated by reference into this Item 7.01.

Forward Looking Statements

This Current Report on Form 8-K (this "Current Report") contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SPAR Group, Inc. ("SGRP") and its subsidiaries (together with SGRP, the "SPAR Group" or the "Company"), and this Current Report has been filed by SGRP with the Securities and Exchange Commission (the "SEC"). There also are "forward-looking statements" contained in SGRP's Annual Report on Form 10-K for its fiscal year ended December 31, 2016 (as filed, the "Annual Report"), as filed with the SEC on April 17, 2017, in SGRP's definitive Proxy Statement respecting its Annual Meeting of Stockholders held on May 18, 2017 (the "Proxy Statement"), which SGRP filed with the SEC on April 28, 2017, and SGRP's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and statements as and when filed with the SEC (including this Current Report, the Annual Report and the Proxy Statement, each a "SEC Report"). "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and Exchange Act, the "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend," "believe," "estimate," "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report or the Annual Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and plans, intentions, expectations, guidance or other information respecting the pursuit or achievement of the Company's five corporate objectives (growth, customer value, employee development, greater productivity & efficiency, and increased earnings per share), building upon the Company's strong foundation, leveraging compatible global opportunities, growing the Company's client base and contracts, continuing to strengthen its balance sheet, growing revenues and improving profitability through organic growth, new business development and strategic acquisitions, and continuing to control costs. The Company's forward-looking statements also include (without limitation) those made in the Annual Report in "Business", "Risk Factors", "Legal Proceedings", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Directors, Executive Officers and Corporate Governance", "Executive Compensation", "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters", and "Certain Relationships and Related Transactions, and Director Independence".

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report, the Annual Report, the Proxy Statement and the other applicable SEC Reports, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company's Common Stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Loan Agreement dated as of January 16, 2018, by and among PNC Bank, National Association ("PNC"), and SPAR Group, Inc. ("SGRP"), and certain of its direct and indirect subsidiaries in the United States and Canada, namely SPAR Marketing Force, Inc., SPAR Assembly & Installation, Inc., and SPAR Canada Company (each, a "PNC Borrower" and collectively, the "PNC Borrowers"), and SPAR Canada, Inc., SPAR Acquisition, Inc., SPAR Group International, Inc., and SPAR Trademarks, Inc. (together with SGRP, each a "PNC Guarantor" and collectively, the "PNC Guarantors"); as filed herewith.</u>
99.2	<u>US\$9,000,000.00 Committed Line Of Credit Note dated January 16, 2018, issued by the PNC Borrowers to PNC; as filed herewith.</u>
99.3	<u>Guaranty and Suretyship Agreement dated as of January 16, 2018, by and among the PNC Guarantors and PNC; as filed herewith.</u>
99.4	<u>Security Agreement dated as of January 16, 2018, by and among the PNC Borrowers and PNC Guarantors (each, a "PNC Loan Party" and collectively, the "PNC Loan Parties") and PNC; as filed herewith.</u>



Loan Agreement

THIS LOAN AGREEMENT (as the same may be supplemented, modified, amended or restated from time to time in the manner provided herein, the “**Agreement**”), is entered into as of January 16, 2018, by and among **SPAR MARKETING FORCE, INC.**, a Nevada corporation (“**SPAR Marketing**”), **SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A NATIONAL ASSEMBLY SERVICES, INC.)**, a Nevada corporation (“**SPAR Assembly**”) (SPAR Marketing and SPAR Assembly are each, a “**Domestic Borrower**” and collectively, the “**Domestic Borrowers**”), **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia (“**SPAR Canada Company**” or “**Canadian Borrower**”) (the Domestic Borrowers and the Canadian Borrower are each, a “**Borrower**” and collectively, the “**Borrowers**”), **SPAR CANADA, INC.**, a Nevada corporation (“**SPAR Canada**”), **SPAR GROUP, INC.**, a Delaware corporation (“**SGRP**”), **SPAR ACQUISITION, INC.**, a Nevada corporation (“**SPAR Acquisition**”), **SPAR GROUP INTERNATIONAL, INC.**, a Nevada corporation (“**SPAR International**”), **SPAR TRADEMARKS, INC.**, a Nevada corporation (“**SPAR Trademarks**”) (SGRP, SPAR Canada, SPAR Acquisition, SPAR International and SPAR Trademarks are each, a “**Domestic Guarantor**” and collectively, the “**Domestic Guarantors**”) (any Canadian Subsidiary which joins this Agreement as a Guarantor from time to time and each of the Domestic Guarantors are each, a “**Guarantor**” and collectively, the “**Guarantors**”) (the Borrowers and the Guarantors are each, a “**Loan Party**” and collectively, the “**Loan Parties**”), and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), with an address at 755 West Big Beaver Road, Suite 2500, Troy, Michigan 48084.

The Borrowers and the Bank, with the intent to be legally bound, agree as follows:

1. Loan. The Bank has made or may make one or more loans (“**Loan**”) to the Borrowers subject to the terms and conditions and in reliance upon the representations and warranties of the Borrowers set forth in this Agreement. Each Loan shall be used for business purposes (and not for personal, family or household use) and is or will be evidenced by a promissory note or notes of the Borrowers and all renewals, extensions, amendments and restatements thereof (whether one or more, as the same may be supplemented, modified, amended or restated from time to time in the manner provided therein, collectively, the “**Note**”) substantially in the same form as the Note delivered herewith with such changes as may be acceptable to the Bank and the Borrowers, which shall set forth the interest rate, repayment and other provisions of the respective Loan, the terms of which are incorporated into this Agreement by reference.

The Loans governed by this Agreement shall include the Loans specifically described below, if any, and any additional lines of credit or term loans that the Bank has made or may, in its sole discretion, make to the Borrowers in the future.

1.1. Line of Credit. One of the Loans governed by this Agreement is a committed revolving line of credit under which the Borrowers may request and the Bank, subject to the terms and conditions of this Agreement, will make advances to the Borrowers from time to time until the Expiration Date, in an aggregate amount outstanding at any time not to exceed Nine Million and 00/100 Dollars (\$9,000,000.00) (the “**Line of Credit**”). The “**Expiration Date**” shall have the meaning set forth in the note evidencing the Line of Credit. The Borrowers acknowledge and agree that in no event will the Bank be under any obligation to extend or renew the Line of Credit beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under the Line of Credit exceed the face amount of the Line of Credit. Advances under the Line of Credit will be used for working capital or other general business purposes of the Borrowers.

1.1.2. The availability of advances under the Line of Credit will be subject to a borrowing base formula and other provisions as set forth in a Borrowing Base Rider dated on or about the date hereof, between the Borrowers and the Bank, the terms of which are incorporated herein by reference.

1.1.3. The Borrowers may request that the Bank, in lieu of cash advances, issue letters of credit (each individually a “**Letter of Credit**” and collectively, the “**Letters of Credit**”) under the Line of Credit (including all banker’s acceptances issued up to 180 days under the terms of any trade Letter of Credit) with an aggregate stated amount outstanding at any time not to exceed \$1,000,000.00; provided, however, that after giving effect to the stated amount of such Letter of Credit, the sum of the aggregate outstanding advances under the Line of Credit and the aggregate stated amount of all Letters of Credit issued and outstanding shall not exceed the amount of the Line of Credit. The availability of advances under the Line of Credit shall be reduced by the stated amount of each Letter of Credit issued and outstanding (whether or not drawn). For purposes of this Agreement, the “stated amount” of any Letter of Credit shall include any automatic increases in the amount available to be drawn under the terms of such Letter of Credit, whether or not any such increase has become effective, and any deemed increase in the amount available to be drawn under the terms of a trade Letter of Credit as a result of any tolerance set forth in such trade Letter of Credit.

Unless otherwise consented to by the Bank in writing, each Letter of Credit shall have an expiry date which is not later than twelve (12) months following the Expiration Date (the “**Final LC Expiration Date**”). Each payment by the Bank under a Letter of Credit shall constitute an advance of principal under such Line of Credit and shall be evidenced by the applicable note. The Letters of Credit shall be governed by the terms of this Agreement and by a reimbursement agreement, in form and content reasonably satisfactory to the Bank and the Borrowers, executed by the Borrowers in favor of the Bank (the “**Reimbursement Agreement**”). Each request for the issuance of a Letter of Credit must be accompanied by each Borrower’s execution of an application on the Bank’s standard forms (each, an “**Application**”), together with all supporting documentation. Each Letter of Credit will be issued in the Bank’s reasonable discretion and in a form reasonably acceptable to the Bank and the Borrowers. This Agreement is not a pre-advice for the issuance of a letter of credit and is not irrevocable.

The Borrowers shall pay the Bank’s standard issuance fee on the stated amount of each Letter of Credit upon issuance, together with such other customary fees and expenses therefor as shall be required by the Bank.

2. **Security.** The security for repayment of the Loan shall include but not be limited to the collateral, guaranties and other documents heretofore, contemporaneously or hereafter executed and delivered to the Bank (as the same may be supplemented, modified, amended or restated from time to time in the manner provided therein, each a “**Security Document**” and collectively, the “**Security Documents**”), which shall secure repayment of the Loan all other loans, advances, debts, liabilities, obligations, covenants and duties owing by any Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument; (ii) arising under any agreement, instrument or document; (iii) for the payment of money; (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee; (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement; (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner; or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank’s non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys’ fees and expenses (hereinafter referred to collectively as the “**Obligations**”). Unless expressly provided to the contrary in documentation for any other loan or loans, it is the express intent of the Bank and the Borrowers that all Obligations including those included in the Loan be cross-collateralized and cross-defaulted, such that collateral securing any of the Obligations shall secure repayment of all Obligations, and a default under any Obligation shall be a default under all Obligations.

This Agreement, the Note, the Security Documents and all other agreements and documents executed and/or delivered pursuant or subject hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the “**Loan Documents**” and each individually a “**Loan Document**.” Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the relevant Loan Document. Each of the other Loan Documents are being and will have been executed and delivered pursuant to and shall be governed by and construed in accordance with the provisions of this Agreement, the provisions of this Agreement are hereby incorporated into each other Loan Document by reference.

3. Representations and Warranties. The Loan Parties, jointly and severally, make the following representations and warranties, which shall be continuing in nature and remain in full force and effect until the Obligations are paid in full, and which shall be true and correct except as otherwise set forth on the Addendum attached hereto and incorporated herein by reference (the “**Addendum**”):

3.1. Existence, Power and Authority. Each Loan Party is duly organized, validly existing and in good standing under the laws of the state or province, as applicable, of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing, except where the failure to so qualify or be licensed would not result in a Material Adverse Change. Each Loan Party is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and such Loan Party is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

3.2. Financial Statements. Each Loan Party has delivered or caused to be delivered to the Bank their most recent Financial Statements (as defined herein) (the “**Historical Statements**”). The Financial Statements are true, complete and accurate in all material respects and fairly present the Loan Parties’ financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of the Loan Parties’ operations for the period specified therein in each case in accordance with GAAP (as defined below) to the extent such items are required to be included thereby. The Financial Statements have been prepared in accordance with generally accepted accounting principles in effect from time to time (“**GAAP**”) consistently applied from period to period, subject in the case of interim statements to normal year-end adjustments; provided however, that all accounting terms used in connection with any financial covenants herein (or any definitions used in connection with the financial covenants) shall have the meaning given to such terms (and defined terms) under GAAP as in effect on the Closing Date, applied on a basis consistent with those used in preparing the Historical Statements. Notwithstanding the foregoing, if the Borrower notifies the Bank in writing that the Borrower wishes to amend any financial covenant set forth in this Agreement (or any related definition) to eliminate the effect of any change in GAAP occurring after the Closing Date on the operation of such financial covenants, then the Bank and the Borrower shall negotiate in good faith to amend such ratios or requirements to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, the Borrower’s compliance with such covenants shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenants or definitions are amended in a manner satisfactory to the Borrower, and the Borrower shall provide to the Bank, when it delivers its financial statements pursuant to Section 4.2 of this Agreement, such reconciliation statements as shall be reasonably requested by the Bank. Notwithstanding the foregoing or anything in this Agreement to the contrary, whenever in this Agreement it is necessary to determine whether a lease is a capital lease or an operating lease, such determination shall be made on the basis of GAAP as in effect on the Closing Date (provided that if there is a change in GAAP after the Closing Date that effects the treatment of capital leases or operating leases, all financial statements delivered to the Bank in accordance with the terms of this Agreement after the date of such change in GAAP shall be accompanied by a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect immediately prior to such accounting change).

As used herein, “**Financial Statements**” shall mean (i) with respect to an entity that is not a natural person, consolidated in the case of SGRP and all of its domestic and foreign consolidated subsidiaries (collectively, the “**SPAR Group**”), and combined in the case of each of the Loan Parties, and, if required by the Bank in its sole discretion, consolidating balance sheets statements of income and cash flows for the year, month or quarter together with year-to-date figures and comparative figures for the corresponding periods of the prior year, prepared in accordance with GAAP, consistently applied from period to period; and (ii) with respect to natural persons, means personal financial statement and US and Canadian federal income tax returns. The consolidated Financial Statements of and other required information respecting the SPAR Group are contained in SGRP’s Annual, Quarterly and Current Reports and other required statements filed from time with the U.S. Securities and Exchange Commission (each a “**SEC Report**”).

3.3. No Material Adverse Change. Since the date of the most recent Financial Statements or SEC Reports applicable to the relevant period or circumstance, no Loan Party has suffered any damage, destruction or loss, and no event or condition has occurred or exists, which has resulted or could reasonably be expected to result in a Material Adverse Change.

3.4. Binding Obligations. Each Loan Party has full power and authority to enter into the transactions provided for in this Agreement and the other Loan Documents, as applicable, and has been duly authorized to do so by appropriate action of its respective Board of Directors or otherwise as may be required by law, charter, other organizational documents or agreements; and the Loan Documents, when executed and delivered by such Loan Party, will constitute the legal, valid and binding obligations of such Loan Party enforceable in accordance with their respective terms, in each case other than as may be limited by applicable insolvency, bankruptcy or similar law and general principles of equity.

3.5. No Defaults or Violations. There does not exist any Default or Event of Default, as hereinafter defined, under this Agreement or any default or violation by any Loan Party of or under any of the terms, conditions or obligations of: (i) such Loan Party’s articles or certificate of incorporation, articles or memorandum of association, regulations and bylaws or such Loan Party’s other organizational documents; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound beyond any applicable grace period that would be reasonably likely to cause the same to be accelerated or terminated or would result in a Material Adverse Change; or (iii) any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon it by any law, the action of any court or any governmental authority or agency; and the consummation of this Agreement and the transactions set forth herein will not result in any such default or violation or Event of Default.

3.6. Title to Assets. Each Loan Party has good and marketable title to the assets of such Loan Party reflected on the most recent Financial Statements, free and clear of all liens and encumbrances, except for Permitted Liens.

3.7. Litigation. There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of any Loan Party, threatened against any Loan Party, which could reasonably be expected to result in a Material Adverse Change and there is no basis known to any Loan Party for any action, suit, proceeding or investigation which could reasonably be expected to result in such a Material Adverse Change. All pending and threatened litigation against all Loan Parties which could reasonably be expected to result in such a Material Adverse Change is listed on the Addendum attached hereto.

3.8. Tax Returns. Each Loan Party has filed all returns and reports that are required to be filed by such Loan Party in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property or withheld by it, including income, unemployment, social security and similar taxes, and all of such taxes have been either paid or adequate reserves or other provision has been made therefor.

3.9. Employee Benefit Plans. Each employee benefit plan as to which any Domestic Borrower or Domestic Guarantor may have any liability complies in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended from time to time, “**ERISA**”), including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) has occurred with respect to any such plan; (ii) no Reportable Event (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would reasonably be likely to cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA; (iii) such Domestic Borrower or Domestic Guarantor has not withdrawn from any such plan or initiated steps to do so; and (iv) no steps have been taken to terminate any such plan.

3.10. Environmental Matters. Each Loan Party is in compliance, in all material respects, with all Environmental Laws (as hereinafter defined), including, without limitation, applicable Environmental Laws in each jurisdiction in which such Loan Party owns or operates, or has owned or operated (to the extent such Loan Party has any ongoing obligation or liability with respect thereto), a facility or site, stores Collateral, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other waste, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise (to the extent such Loan Party has any ongoing obligation or liability with respect thereto). Except as otherwise disclosed on the Addendum, no litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of each Loan Party's knowledge, threatened against any Loan Party, any real property in which any Loan Party holds or has held an interest or any past or present operation of such Loan Party (to the extent such Loan Party has any ongoing obligation or liability with respect thereto). No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or to the best of any Loan Party's knowledge has occurred, on, under or to any real property in which any Loan Party holds or has held any interest or performs or has performed any of its operations (to the extent such Loan Party has any ongoing obligation or liability with respect thereto), in violation of any Environmental Law. As used in this Section, "**litigation or proceeding**" means any demand, claim notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by a governmental authority or other Person, and "**Environmental Laws**" means all provisions of laws, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

3.11. Intellectual Property. Each Loan Party owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise), business or operations of such Loan Party.

3.12. Regulatory Matters. No part of the proceeds of any Loan will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors.

3.13. Solvency. As of the date hereof and after giving effect to the transactions contemplated by the Loan Documents, (i) the aggregate value of each Loan Party's assets will exceed such Loan Party's liabilities (including contingent, subordinated, unmaturing and unliquidated liabilities); (ii) each Loan Party will have sufficient cash flow to enable it to pay its debts as they become due; and (iii) each Loan Party will not have unreasonably small capital for the business in which it is engaged.

3.14. Disclosure. None of the Loan Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Loan Documents not misleading. There is no fact known to any Loan Party which would cause a Material Adverse Change or, so far as any Loan Party can now foresee, could reasonably be expected to result in a Material Adverse Change and which has not otherwise been fully set forth in this Agreement or in the Loan Documents.

4. Affirmative Covenants. The Loan Parties jointly and severally agree that from the date of execution of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrowers have been terminated, each Loan Party will:

4.1. Books and Records. Maintain books and records in accordance with GAAP and give representatives of the Bank access thereto at all reasonable times during normal business hours and upon reasonable notice, including permission to examine, copy and make abstracts from any of such books and records and such other information as the Bank may from time to time reasonably request, and each Loan Party will make available to the Bank for examination at all reasonable times during normal business hours and upon reasonable notice copies of any reports, statements and returns which such Loan Party may make to or file with any federal, state or local governmental department, bureau or agency.

4.2. Financial Reporting. Deliver or cause to be delivered to the Bank (i) the Financial Statements, reports and certifications, if any, set forth on the Addendum and (ii) such other information about any Loan Parties' financial condition, properties and operations as and when reasonably requested by the Bank, from time to time.

4.3. Payment of Taxes and Other Charges. Pay and discharge when due or before they become delinquent, as the case may be, all indebtedness and all taxes, assessments, charges, levies and other liabilities imposed upon such Loan Party, such Loan Party's income, profits, property or business, except (i) those consisting of trade payables incurred in the ordinary course of business and not past due for more than 91 days after the date on which each such trade payable was created, or (ii) those which currently are being contested in good faith by appropriate proceedings and for which such Loan Party shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its sole discretion.

4.4. Maintenance of Existence, Operation and Assets. Do all things necessary to (i) maintain, renew and keep in full force and effect its organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; (ii) continue in operation in substantially the same manner as at present; (iii) keep its properties in commercially reasonable operating condition and repair (ordinary wear and tear excepted); and (iv) make all necessary and proper repairs, renewals, replacements, additions and improvements thereto (ordinary wear and tear excepted).

4.5. Insurance. Maintain, with financially sound and reputable insurers, insurance with respect to its property and business against such casualties and contingencies, of such types and in such amounts, as is customary for established companies engaged in the same or similar business and similarly situated. In the event of a conflict between the provisions of this Section and the terms of any Security Documents relating to insurance, the provisions in the Security Documents will control.

4.6. Compliance with Laws. Comply in all material respects with all laws applicable to such Loan Party and to the operation of their businesses (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

4.7. Bank Accounts. Establish and maintain at the Bank within thirty (30) days after the date hereof each of the Domestic Borrowers' and Domestic Guarantors' primary depository accounts.

4.8. Financial Covenants. Comply with all of the financial and other covenants, if any, set forth on the Addendum.

4.9. Additional Reports. Provide prompt written notice to the Bank of the occurrence of any of the following (together with a description of the action which the Loan Party propose to take with respect thereto): (i) any Event of Default or any event, act or condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (a "Default"); (ii) any litigation filed by or against any Loan Party; (iii) any Reportable Event or Prohibited Transaction with respect to any Employee Benefit Plan(s) (as defined in ERISA) or (iv) any event which could reasonably be expected to result in a Material Adverse Change.

4.10. Anti-Terrorism Laws; International Trade Law Compliance. (a) No Covered Entity will become a Sanctioned Person, (b) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (c) the funds used to repay the Obligations will not be derived from any unlawful activity, (d) each Covered Entity shall comply with all Anti-Terrorism Laws, and (e) the Borrower shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event.

5. **Negative Covenants.** The Loan Parties, jointly and severally, covenant and agree that from the date of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrowers have been terminated, except as set forth in the Addendum, each Loan Party will not, and will not permit its Subsidiaries to, without the Bank's prior written consent:

5.1. **Indebtedness.** Create, incur, assume or suffer to exist any indebtedness for borrowed money other than:

- (i) the Loan and any subsequent indebtedness to the Bank;
- (ii) open account trade debt incurred in the ordinary course of business;
- (iii) intercompany advances (however characterized) owed to any other Loan Party;

(iv) other existing or future indebtedness (including indebtedness at any one time outstanding in favor of one or more sellers of equipment to one or more Loan Parties which is secured by a purchase money security interest in the equipment sold) in an aggregate principal amount not to exceed \$250,000.00 at any one time outstanding, and any refinancings thereof; provided that the amount of the refinancing indebtedness is not more than the outstanding principal amount of the refinanced indebtedness, the terms of the refinancing indebtedness are no more favorable to the lender than the terms of the refinanced indebtedness; and

(v) such indebtedness which is subordinated on terms and pursuant to documents which are satisfactory to the Bank (the **"Approved Subordinated Debt"**).

5.2. **Liens and Encumbrances.** Except as permitted in Section 3.6 or for any Permitted Lien, create, assume, incur or permit to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property subject to any conditional sales or other title retention agreement.

5.3. **Guarantees.** Guarantee, endorse or become contingently liable for the obligations of any Person, except for any of the following: (a) related to the endorsement and deposit of checks for collection in the ordinary course of business; (b) any guaranty made or other credit support provided by any Loan Party of any lease, trade or other obligation of any other Loan Party not prohibited hereunder; and (c) any guaranty made or other credit support provided by any Loan Party which guaranty or other credit support is subordinated on terms and pursuant to documents which are satisfactory to the Bank.

5.4. **Loans or Advances.** Purchase or hold beneficially any stock, other securities or evidence of indebtedness of, or make or have outstanding, any loans or advances to, or otherwise extend credit to, or make any investment or acquire any interest whatsoever in, any other Person, except for (a) loans, advances and investments disclosed on the such Loan Party's Financial Statements that have been provided to the Bank on or before the date hereof, or that are otherwise acceptable to the Bank in its reasonable discretion, (b) stock or other securities issued by or equity interest in any direct or indirect subsidiary of SGRP permitted by Section 5.9 hereof, (c) intercompany loan or advances permitted pursuant to Section 5.1(iii), (d) those permitted by Section 5.10 hereof, or (e) Permitted Investments.

5.5. Merger or Transfer of Assets. Liquidate or dissolve, or merge or consolidate with or into any Person (other than a Permitted Merger), or sell, lease, transfer or otherwise dispose of all or a substantial part of its property, assets, operations or business, whether now owned or hereafter acquired, except for:

- (a) transactions involving the sale of inventory in the ordinary course of business;
- (b) any sale, transfer or lease of assets in the ordinary course of business which are no longer necessary or required in the conduct of such Loan Party's or such Subsidiary's business;
- (c) any sale, transfer or lease of assets by any wholly-owned Subsidiary of such Loan Party to another Loan Party;
- (d) any sale, transfer or lease of assets in the ordinary course of business which are replaced by substitute assets acquired or leased as permitted hereunder; provided such substitute assets are subject to the a valid and enforceable perfected first-priority security interest under the Uniform Commercial Code in favor of the Bank which is subject only to statutory Liens for taxes not yet due and payable;
- (e) any sale, lease, transfer or other disposition of any interest in any Excluded Subsidiary; or
- (f) any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (a) through (e) above, which is approved in writing by the Bank.

5.6. Change in Business, Change of Control. (A) Make or permit, nor shall any Guarantor or grantor under the Security Documents make or permit, any change in (i) its form of organization; or (ii) the line of business as carried on as of the date hereof; (B) execute any contract, mortgage, lease or other agreement, if such change or execution could reasonably be expected to result in a Material Adverse Change; or (C) have a Change of Control.

"Change of Control" means,

- (1) with respect to SGRP, (A) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 100% of the capital stock of SGRP; or (B) a change in the composition of its current Chief Executive Officer or Chief Financial Officer without the written consent of the Bank (not to be unreasonably withheld); and
- (2) with respect to all other Loan Parties (other than SGRP), (A) a change in the composition of its current Chief Executive Officer or Chief Financial Officer without the written consent of the Bank (not to be unreasonably withheld); or (B) its equity ownership, except for the transfer between Loan Parties of the shares issued by any other Loan Party.

5.7. Dividends. Declare or pay any dividends on or make any distribution with respect to any class of its equity or ownership interest, or purchase, redeem, retire or otherwise acquire any of its equity, except (a) for the issuance of stock dividends, purchases of options to acquire SGRP shares granted under SGRP's benefit plans or purchases of SGRP's shares in accordance with SGRP's 2017 Stock Repurchase Program; and (b) from a Loan Party to another Loan Party that owns an equity interest therein so long as such payment is made ratably in accordance with the equity interests of the same class and series therein.

5.8. Acquisitions. Except as permitted under Section 5.10 hereof, make acquisitions of (A) all or substantially all of the property or assets of any Person or (B) all or substantially all of the ownership interests of another Person unless following requirements are met (in each case, a “**Permitted Acquisition**”):

(a) if required by Section 5.9 hereof, such Person shall join this Agreement and the other Loan Documents pursuant to the joinder requirements herein on or before the date of such Permitted Acquisition;

(b) the board of directors or other equivalent governing body of such Person shall have approved such Permitted Acquisition and, if the Loan Parties shall use any portion of the Loans to fund such Permitted Acquisition, the Loan Parties also shall have delivered to the Banks written evidence of the approval of the board of directors (or equivalent body) of such Person for such Permitted Acquisition;

(c) the business acquired, or the business conducted by the Person whose ownership interests are being acquired, as applicable, shall be complementary to or substantially the same as one or more line or lines of business conducted by the Loan Parties;

(d) no Default or Event of Default shall exist immediately prior to and after giving effect to such Permitted Acquisition; and

(e) the Loan Parties shall demonstrate that they shall be in compliance with the financial covenants herein after giving effect to such Permitted Acquisition (including in such computation Indebtedness or other liabilities assumed or incurred in connection with such Permitted Acquisition) by delivering at least five (5) days prior to such Permitted Acquisition a certificate in form and substance reasonably satisfactory to the Bank.

5.9 Subsidiaries. Own or create directly or indirectly any Subsidiaries other than (i) any Subsidiary which is a Loan Party; (ii) any Excluded Subsidiary; and (iii) any Domestic Subsidiary or Canadian Subsidiary formed or acquired after the date hereof which joins this Agreement within 30 days’ of such formation or acquisition as a Guarantor by delivering to the Bank a Guaranty Agreement and joinder to the Loan Documents in form and substance reasonably satisfactory to Bank, together with certificates and other documents comparable to those delivered with respect to each Loan Party.

5.10 Affiliate Transactions; Permitted Non-Borrower Transfers. Enter into or be a party to any transaction with any Affiliate (defined as any business, Person, corporation, partnership or entity, whether organized or existing in the United States or elsewhere, affiliated by common ownership or interest, or familial lineage, and their successors and assigns) or make any payment to or transfer any property or assets to any Affiliate without the prior written consent of Bank, in each case excluding transactions:

(a) with any other Loan Party,

(b) in the ordinary course of business

(i) with any and all natural persons in the form of agreements or arrangements employment, severance, engagement (as a director, officer or consultant), compensation or employee benefits pursuant to SGRP’s benefit plans (as may be amended from time to time), or

(ii) consisting of or pursuant to any of the software and trademark license agreements between SPAR Trademarks and SPAR Marketing Force, as licensors, and the applicable Excluded Subsidiary as licensee,

- (iii) consisting of or pursuant to any of the joint venture, license and similar agreements between SPAR International, Inc., or other Loan Party and the applicable Excluded Subsidiary and/or its local investors,
 - (iv) consisting of or pursuant to the SAS Agreement, or
 - (v) consisting of or pursuant to the SBS Arrangement;
- (c) consisting of or pursuant to any of the Resource Acquisition Documents; or
- (d) loans, advances and investments disclosed to the Bank existing or made on or before the date hereof, or that are otherwise acceptable to the Bank in its reasonable discretion.

Notwithstanding the foregoing, SGRP or any Borrower may also make any loan, advance or other payment to, any acquisition of, or investment in, any Affiliate that has not joined this Agreement as a Loan Party (including any joint venture or similar arrangement), in each case occurring after the Closing Date (each a "**Permitted Non-Borrower Transfer**") provided that

(a) the Loan Parties are in compliance with all of the financial and other covenants set forth on the Addendum before and after giving effect to such loan, advance, payment, acquisition or investment;

(b) the aggregate amount of all such loans, advances, payments, acquisitions or investments (after giving effect to any Transfer Repayments) do not exceed \$2,000,000 at any time (the "**Permitted Transfer Bucket**"); and

(c) the Undrawn Availability after giving effect to such loan, advance, payment, acquisition or investment is at least \$1,000,000.

It is understood and agreed that an Excluded Subsidiary or a recipient of any loan, advance, payment, acquisition or investment permitted in the paragraph above may from time to time repay the Loan Parties for sums received in connection with such loan, advance, payment, acquisition or investment or otherwise make payments, distributions or advances to a Loan Party (each a "**Transfer Repayment**"), which Transfer Repayment shall increase, on a dollar-for-dollar basis, the amount of the Permitted Transfer Bucket. Each Permitted Non-Borrower Transfer and each Transfer Repayment shall be set forth in a certificate to the Bank as required by Section 5.10 of the Addendum. Notwithstanding anything to the contrary herein, any loan made by a Loan Party to a Person that is not a Loan Party, including any joint venture or similar arrangement, (as permitted pursuant to this Section 5.10) shall be subordinated pursuant to a subordination agreement in form and substance satisfactory to the Bank.

5.11 Material Contracts. Amend the Loan Parties' employee benefits plans, SGRP's 2017 Stock Repurchase Program, the SAS Agreement, the SBS Agreement, the Resource Acquisition Documents, in each case, in a manner that would be materially adverse to the Bank without the prior written consent of the Bank which consent shall not be unreasonably withheld, conditioned or delayed.

6. Events of Default. The occurrence of any of the following will be deemed to be an "**Event of Default**":

6.1. Covenant Default. (A) The Borrower shall fail to pay (1) any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity) on the date on which such principal becomes due in accordance with the terms hereof or thereof; or (2) or any interest on any Loan or any other amount owing hereunder or under the other Loan Documents on the date on which such interest or other amount becomes due in accordance with the terms hereof or thereof and such failure shall continue unremedied for a period of three (3) business days thereafter; (B) Any Loan Party shall default in the performance of any of the covenants or agreements contained in Article 5 [Negative Covenants] of this Agreement or Section 4.1 [Books and Records], Section 4.10 [Anti-Terrorism Laws; Etc.] or Section 4.2 [Financial Reporting]; (C) Any Loan Party shall default in the performance of any of any other covenant, condition or provision hereof and such default shall continue unremedied for a period of thirty (30) business days.

6.2. Breach of Warranty. Any Financial Statement, representation, warranty or certificate made or furnished by any Loan Party to the Bank in connection with this Agreement shall be false, incorrect or incomplete in any material respect as of the time it was made or furnished.

6.3. Other Default. The occurrence of (i) an Event of Default as defined in the Note, any of the other Loan Documents or any other agreement between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates, and (ii) a default or event of default under or as defined in any other instrument or document between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates which continues beyond any applicable grace, notice or cure period therein provided or if none is provided, beyond thirty (30) days thereafter.

Upon the occurrence of an Event of Default, the Bank will have all rights and remedies specified in the Note and the other Loan Documents and all rights and remedies (which are cumulative and not exclusive) available under applicable law or in equity.

7. Conditions. The Bank's obligation to make any advance under any Loan, or to issue any letter of credit, is subject to the conditions that as of the date of the advance:

7.1. No Event of Default. No Event of Default or Default shall have occurred and be continuing.

7.2. Authorization Documents. The Bank shall have received certified copies of resolutions of the board of directors, the general partners or the members or managers of any partnership, corporation or limited liability company that executes this Agreement, the Note or any of the other Loan Documents; or other proof of authorization reasonably satisfactory to the Bank.

7.3. Receipt of Loan Documents. The Bank shall have received the Loan Documents and such other instruments and documents which the Bank may reasonably request in connection with the transactions provided for in this Agreement, which may include an opinion of counsel in form and substance reasonably satisfactory to the Bank for any party executing any of the Loan Documents.

7.4. Fees. The Bank shall have received all fees owing in respect of the Loan.

8. Fees; Expenses. The Borrowers agree to reimburse the Bank, upon the execution of this Agreement, and otherwise on demand, all fees due and payable to the Bank hereunder and under the other Loan Documents and all costs and expenses incurred by the Bank in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents, and any modifications or amendments thereto or renewals thereof, and the collection of all of the Obligations, including but not limited to enforcement actions, relating to the Loan, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement, including (i) reasonable fees and expenses of counsel (which may include costs of in-house counsel); (ii) all costs related to conducting UCC, title and other public record searches; (iii) fees for filing and recording documents in the public records to perfect the Bank's liens and security interests; (iv) expenses for auditors, appraisers and environmental consultants; and (v) taxes. The Borrowers hereby authorize and direct the Bank to charge Borrowers' deposit account(s) with the Bank for any and all of the foregoing fees, costs and expenses.

9. Increased Costs. On written demand, together with written evidence of the justification therefor, the Borrowers agree to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Loan. "**Change in Law**" means the occurrence, after the date hereof, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty; (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

10. Miscellaneous.

10.1. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Agreement) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time (followed by a copy of such Notice delivered by first-class mail or overnight courier). Notices may be sent to a party’s address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

10.2. Preservation of Rights. No delay or omission on the Bank’s part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank’s action or inaction impair any such right or power. The Bank’s rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

10.3. Illegality. If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

10.4. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Borrowers from, any provision of this Agreement will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Agreement or any of the other Loan Documents for the purposes of completing blanks, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrowers (which notice may be given by electronic mail). No notice to or demand on the Borrowers will entitle the Borrowers to any other or further notice or demand in the same, similar or other circumstance.

10.5. Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.6. Counterparts. This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

10.7. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrowers and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that no Borrower may assign this Agreement in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Agreement in whole or in part.

10.8. Interpretation. In this Agreement, unless the Bank and the Borrowers otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one party as Borrower, the obligations of such Persons will be joint and several.

10.9. No Consequential Damages, Etc. The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any Person, including any Borrower and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

10.10. Assignments and Participations. At any time, without any notice to the Borrower, the Bank may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Bank's interest in the Loan. Each Borrower hereby authorizes the Bank to provide, without any notice to the Borrower, any information concerning the Borrower, including information pertaining to the Borrower's financial condition, business operations or general creditworthiness, to any assignee of or participant in or any prospective assignee of or participant in all or any part of the Bank's interest in the Loan.

10.11. USA PATRIOT Act Notice. The Bank hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, the Bank is required to obtain, verify and record information that identifies the Loan Parties and any Obligors (as defined in the Note), which information includes the name and address of the Loan Parties and any Obligors and other information that will allow the Bank to identify the Loan Parties and any Obligors in accordance with the USA PATRIOT Act.

10.12. Canadian Anti-Money Laundering Legislation. Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c.17 and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Bank may be required to obtain, verify and record information regarding the Loan Parties and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank or any of its respective prospective assignees or participants, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

If the Bank has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Bank shall be deemed to have done so as an agent for itself and this Agreement shall constitute a "written agreement" in such regard within the meaning of the applicable AML Legislation.

10.13. Important Information about Phone Calls. By providing telephone number(s) to the Bank, now or at any later time, each Borrower hereby authorizes the Bank and its affiliates and designees to contact such Borrower regarding the Borrower's account(s) with the Bank or its affiliates, whether such accounts are Borrower's individual accounts or business accounts for which such Borrower is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or by leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Each Borrower hereby consents that any phone call with the Bank may be monitored or recorded by the Bank.

10.14. Confidentiality. In connection with the Obligations, this Agreement and the other Loan Documents, the Bank and the Loan Parties will be providing to each other, whether orally, in writing or in electronic format, nonpublic, confidential or proprietary information (collectively, "**Confidential Information**"). Each of the Loan Parties and the Bank agrees (i) to hold the Confidential Information of the other in confidence; and (ii) not to disclose or permit any other Person access to the Confidential Information of the other party, except for disclosure or access to (a) a party's affiliates and its or their employees, officers, directors, agents, representatives, (b) other third parties that provide or may provide ancillary support relating to the Obligations, this Agreement and/or the other Loan Documents, or (c) to its external or internal auditors or regulatory authorities. It is understood and agreed that the obligation to protect such Confidential Information shall be satisfied if the party receiving such Confidential Information utilizes the same control (but no less than reasonable) as it does to avoid disclosure of its own confidential and valuable information. It is also understood and agreed that no information shall be within the protection of this Agreement where such information: (w) is or becomes publicly available through no fault of the party to whom such Confidential Information has been disclosed, (x) is released by the originating party to anyone without restriction, (y) is rightly obtained from third parties who are not, to such receiving party's knowledge, under an obligation of confidentiality, or (z) is required to be disclosed by subpoena or similar process of applicable law or regulations. The Bank acknowledges and agrees that the Bank and Loan Documents and transactions thereunder will be described in the SEC Reports and copies of the material Loan Documents will be filed with the SEC Reports.

For the purposes of this Agreement, Confidential Information of a party shall include, without limitation, any financial information, scientific or technical information, design, process, procedure or improvement and all concepts, documentation, reports, data, data formats, specifications, computer software, source code, object code, user manuals, financial models, screen displays and formats, software, databases, inventions, knowhow, showhow and trade secrets, whether or not patentable or copyrightable, whether owned by a party or any third party, together with all memoranda, analyses, compilations, studies, notes, records, drawings, manuals or other documents or materials which contain or otherwise reflect any of the foregoing information.

Each of the Borrowers and the Bank agrees to return to the other or destroy all Confidential Information of the other upon the termination of this Agreement; provided, however, each party may retain such limited information for customary archival and audit purposes only for reference with respect to prior dealings between the parties subject at all times to the continuing terms of this **Section 10.13**.

Each of the Borrowers and the Bank agrees not to use the other's name or logo in any marketing, advertising or related materials, without the prior written consent of the other party.

10.15. Sharing Information with Affiliates of the Bank. Each Borrower acknowledges that from time to time other financial and banking services may be offered or provided to such Borrower or one or more of its Subsidiaries and/or affiliates (in connection with this Agreement or otherwise) by the Bank or by one or more Subsidiaries or affiliates of the Bank or of The PNC Financial Services Group, Inc., and such Borrower hereby authorizes the Bank to share any information delivered to the Bank by such Borrower and/or its Subsidiaries and/or affiliates pursuant to this Agreement or any of the Loan Documents to any Subsidiary or affiliate of the Bank and/or The PNC Financial Services Group, Inc., subject to any provisions of confidentiality in this Agreement or any other Loan Documents.

10.16. Electronic Signatures and Records. Notwithstanding any other provision herein, each Borrower agrees that this Agreement, the other Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a “**Communication**”) may, at the Bank’s option, be in the form of an electronic record; provided that a copy of all Notices set forth in Section 10.1 shall be also be delivered by first-class mail or overnight courier. Any Communication may, at the Bank’s option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

10.17. Governing Law and Jurisdiction. This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank’s office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWERS DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK’S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE STATE WHERE THE BANK’S OFFICE INDICATED ABOVE IS LOCATED (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** Each Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank’s office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against such Borrower individually, against any security or against any property of such Borrower within any other county, state or other foreign or domestic jurisdiction. The Bank and the each Borrower agree that the venue provided above is the most convenient forum for both the Bank and such Borrower. Each Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

10.18 Joinder. In the event (a) any Subsidiary (other than an Excluded Subsidiary) designated by the Loan Parties as an Immaterial Subsidiary ceases to qualify as an Immaterial Subsidiary, or (B) any JV Holding Company, on an unconsolidated basis, owns net assets (excluding its equity interests in one or more JV Subsidiaries) in excess of \$250,000, then in either case such Subsidiary shall promptly join this Agreement as a Guarantor by delivering to the Bank a Guaranty Agreement and joinder to the Loan Documents in form and substance satisfactory to Bank, together with certificates and other documents comparable to those delivered with respect to each Loan Party.

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10.18. WAIVER OF JURY TRIAL. EACH OF THE LOAN PARTIES AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. EACH LOAN PARTY AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

Each Loan Party acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE TO LOAN AGREEMENT]

WITNESS the due execution hereof as a document under seal, as of the date first written above.

BORROWERS:

WITNESS / ATTEST:

SPAR MARKETING FORCE, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR ASSEMBLY & INSTALLATION, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR CANADA COMPANY

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

[SIGNATURE PAGE TO LOAN AGREEMENT]

GUARANTORS:

WITNESS / ATTEST:

SPAR CANADA, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR GROUP, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR ACQUISITION, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR GROUP INTERNATIONAL, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer



[SIGNATURE PAGE TO LOAN AGREEMENT]

GUARANTORS (Continued)

WITNESS / ATTEST:

SPAR TRADEMARKS, INC.

By: _____
(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

BANK:

PNC BANK, NATIONAL ASSOCIATION

By: _____
(SEAL)

Print Name: Scott Neiderheide

Title: Vice President

ADDENDUM TO LOAN AGREEMENT

ADDENDUM to that certain Loan Agreement dated January 16, 2018 by and among **SPAR MARKETING FORCE, INC.**, a Nevada corporation (“**SPAR Marketing**”), **SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A NATIONAL ASSEMBLY SERVICES, INC.)**, a Nevada corporation (“**SPAR Assembly**”) (SPAR Marketing and SPAR Assembly are each, a “**Domestic Borrower**” and collectively, the “**Domestic Borrowers**”), **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia (“**SPAR Canada Company**” or “**Canadian Borrower**”) (the Domestic Borrowers and the Canadian Borrower are each, a “**Borrower**” and collectively, the “**Borrowers**”), **SPAR CANADA, INC.**, a Nevada corporation (“**SPAR Canada**”), **SPAR GROUP, INC.**, a Delaware corporation (“**SGRP**”), **SPAR ACQUISITION, INC.**, a Nevada corporation (“**SPAR Acquisition**”), **SPAR GROUP INTERNATIONAL, INC.**, a Nevada corporation (“**SPAR International**”), **SPAR TRADEMARKS, INC.**, a Nevada corporation (“**SPAR Trademarks**”) (SGRP, SPAR Canada, SPAR Acquisition, SPAR International and SPAR Trademarks are each, a “**Domestic Guarantor**” and collectively, the “**Domestic Guarantors**”) (any Canadian Subsidiary which joins the Loan Agreement as a Guarantor from time to time and each of the Domestic Guarantors are each, a “**Guarantor**” and collectively, the “**Guarantors**”) (the Borrowers and the Guarantors are each, a “**Loan Party**” and collectively, the “**Loan Parties**”), and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”). Capitalized terms used in this Addendum and not otherwise defined shall have the meanings given them in the Agreement. Section numbers referred to herein refer to the sections of the Agreement.

[The following exceptions apply to all of the representations and warranties set forth in Section 3 of the Agreement:

[See Attached Disclosure Schedule]

[In addition to the foregoing, the following exceptions apply to the applicable section of Section 3 of the Agreement identified:

[See Attached Disclosure Schedule]

CONTINUATION OF ADDENDUM

4.2 Financial Reporting Requirements.

1. Financial Reporting.

(a) **Unaudited Interim Financial Statements of Loan Parties.** Within sixty (60) days after the end of each of the first three fiscal quarters of the Loan Parties, internally prepared Financial Statements of the each of the Loan Parties (including SGRP), in reasonable detail, certified by an authorized officer of such Loan Party, and prepared in accordance with GAAP, consistently applied from period to period. Such Financial Statements will be prepared on a combined and consolidating basis in accordance with GAAP, consistently applied from period to period.

(b) **Annual Audited Financial Statements of SPAR Group.** Within one hundred thirty-five (135) days after the end of each fiscal year, the annual audited Financial Statements of the SPAR Group. Such Financial Statements will be prepared on a consolidated and consolidating basis in accordance with GAAP by an independent certified public accountant selected by the SPAR Group and satisfactory to the Bank. Audited Financial Statements shall contain the unqualified opinion of an independent certified public accountant and all accountant examinations shall have been made in accordance with GAAP consistently applied from period to period.

(c) **Annual Financial Statements of Subsidiary Loan Parties.** Within one hundred thirty-five (135) days after the end of each fiscal year, the internally prepared annual Financial Statements of each of the Loan Parties (other than SGRP), in reasonable detail, certified by an authorized officer of such Loan Party, and prepared in accordance with GAAP, consistently applied from period to period. Such Financial Statements will be prepared on a combined and consolidating basis in accordance with GAAP, consistently applied from period to period.

(d) **Accounts Receivable and Accounts Payable Agings.** Within twenty (20) days following the end of each month, the detailed schedule of accounts receivable and accounts payable aging analysis of the Borrowers.

(e) **Projections.** Within thirty (30) days after the commencement of each fiscal year, the annual budget and any forecasts or projections for such year and fiscal year actual performance to budget report for each of the Loan Parties, in form and substance satisfactory to the Bank.

2. **Compliance Certificate.** Together with each of the Financial Statements required in Sections 1(a), (b) and (c) above, a certificate, certifying the Loan Parties' compliance with all applicable financial covenants (containing detailed calculations of such financial covenants) for the period then ended, whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrowers propose to take with respect to such Event of Default. Such certificate shall be duly executed for and as a representative of SGRP by, the Chief Financial Officer, another responsible senior financial officer or an authorized officer of each of the Borrowers.

5.10 Non-Borrower Permitted Transfers. Within sixty (60) days after the end of each fiscal quarter of the Loan Parties, a report, in form, substance and detail satisfactory to the Bank, reflecting each Permitted Non-Borrower Transfer and each Transfer Repayment made during such fiscal quarter, in each case, reflecting compliance with the terms and conditions set forth in Section 5.10 hereof.

CONTINUATION OF ADDENDUM

4.8 Financial Covenants.

- (1) The SPAR Group will maintain at all times a minimum Tangible Net Worth equal to \$13,400,000.00, to be increased on the last day of each fiscal year thereafter, commencing on December 31, 2017, by an amount equal to fifty (50) percent of SPAR Group's Net Income (if a positive number) for, in each case, the fiscal year then ending.
- (2) The Loan Parties will not make capital expenditures in excess of \$2,000,000 in the aggregate in any one fiscal year of the Loan Parties.

All of the above financial covenants shall be computed and determined in accordance with GAAP applied on a consistent basis (subject to normal year-end adjustments).

CONTINUATION OF ADDENDUM

Certain Definitions.

As used in this Agreement and in the other Loan Documents:

“Anti-Terrorism Laws” shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

“Canadian Subsidiary” means any direct or indirect Subsidiary of the Canadian Borrower.

“Closing Date” means January 16, 2018.

“Covered Entity” shall mean (a) the Borrower, each of Borrower’s Subsidiaries, all Guarantors and all pledgors of Collateral, and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

“Domestic Subsidiary” means any direct or indirect Subsidiary of SGRP that is organized under the laws of any state of the United States or the District of Columbia.

“Excluded Subsidiary” means (a) any Foreign Excluded Subsidiary; (b) any Foreign Holding Company; (c) any Immaterial Subsidiary so long as such Subsidiary continues to qualify as an Immaterial Subsidiary subject to Section 10.18 hereof, (d) any NMS Company, (e) any JV Subsidiary, (f) upon completion (if ever) of the Resource Acquisitions described in the Addendum, any Resource Subsidiary and (g) any JV Holding Company subject to Section 10.18 hereof.

“Foreign Holding Company” means any direct or indirect Subsidiary of SGRP all or substantially all of the assets of which are comprised of equity interests in one or more Foreign Excluded Subsidiaries.

“Foreign Excluded Subsidiary” means any Subsidiary of a Loan Party that is not a Domestic Subsidiary or a Canadian Subsidiary.

“Immaterial Subsidiary” means, as of any date of determination, any Subsidiary that, on an unconsolidated basis, does not have net assets in excess of \$250,000.

“JV Holding Company” means any Subsidiary of the Loan Parties whose assets consist primarily of equity interests in one or more JV Subsidiaries which has not joined this Agreement and the other Loan Documents as a Guarantor, in each case subject to Section 5.10 hereof.

“JV Subsidiary” means any joint venture (whether formed as limited liability company, corporation, partnership or otherwise) funded as permitted by this Agreement which has not joined this Agreement and the other Loan Documents as a Guarantor, in each case subject to Section 5.10 hereof.

“Material Adverse Change” means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition, results of operations of the Loan Parties taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of the Loan Parties taken as a whole to duly and punctually pay or perform any of the obligations hereunder, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Bank, to the extent permitted, to enforce its legal remedies pursuant to this Agreement or any other Loan Document.

“**NMS Company**” means either or both of NMS Holdings, Inc., a Nevada corporation, and National Merchandising Services, LLC, a Nevada limited liability company.

“**Permitted Investment**” means any of the following:

(a) certificates of deposit, commercial paper or other market rate instruments with final maturities of one year or less issued by (i) the Bank, or (ii) any commercial bank that is organized under the laws of the United States whose obligations are rated A-1, A or the equivalent or better by Standard & Poor's Ratings Group, a Division of McGraw Hill, Inc. (“**Standard & Poor's**”) on the date of acquisition;

(b) commercial paper or other debt securities with final maturities of 180 days or less from the date of acquisition and a rating from Standard & Poor's, or Moody's Investors Services, Inc., of not less than "A-1" or "P-1", respectively;

(c) securities or other obligations with final maturities of one year or less from the date of acquisition issued or unconditionally guaranteed by the government of the United States of America or any agency or instrumentality thereof (but only to the extent backed by the full faith and credit of the United States of America);

(d) preferred stock with a Standard & Poor's Corporation rating of "A" or greater; and

(e) investments in money market funds having net assets in excess of \$1,000,000,000 that invest, and that are restricted by their respective charters to invest, principally in investments of the type described in the immediately preceding subsections (a), (b), (c), and (d) of this definition.

“**Permitted Lien**” for a referenced Person as of a particular date means any of the following:

(a) statutory liens incurred in the ordinary course of the referenced Person's business (i) for taxes, assessments or other governmental charges, levies or claims which are not yet due and payable, (ii) of mechanics, carriers, warehouses, suppliers and laborers, securing obligations that are not yet due and payable, (iii) respecting worker's compensation, unemployment insurance, statutory obligations or social security legislation securing obligations that are not yet due and payable, or (iv) required by law as a condition precedent to the transaction of the referenced Person's business or the exercise of any of the privileges or licenses by the referenced Person subject to such lien, in each case so long as no applicable Loan Instrument, underlying agreement or applicable law requires the underlying obligations to have been paid or satisfied on or before such date and any required reserve has been established;

(b) judicial liens incurred in respect of judgments and awards which are (1) discharged within 30 days from the making thereof or (2) are being contested in good faith by appropriate and lawful proceedings diligently and in either case, such liens do not affect the Collateral or, in the aggregate, materially impair the ability of the Loan Party to perform its obligations hereunder or under the Loan Documents;

(c) in the case of real estate other than Collateral, easements, rights-of-way, restrictions, covenants and other agreements of record and other similar charges or encumbrances not interfering with the ordinary conduct of the business of the referenced Person;

(d) in the case of personal assets and properties, any good-faith deposits made or other security interests incurred in the ordinary course of the referenced Person's business to secure the performance of its tenders, bids, leases (other than capitalized leases), contracts (other than for indebtedness for money borrowed or guaranties or other credit support for money borrowed) and similar obligations arising as a result of progress payments under government contracts, and in any case, which are not in excess of the aggregate amount due thereunder;

(e) the security interests or liens (including leases treated as security interests or liens) encumbering Equipment purchased or property leased by the referenced Person with financings permitted by this Agreement so long as they respectively secure only the corresponding purchase money indebtedness or capitalized lease obligations and so long as such liens or security interests are limited to the assets acquired with such purchase money financing or leased pursuant to such capital lease;

(f) the security interests or liens granted from time to time to the Bank; and

(g) security interests, liens or encumbrances existing on the Closing Date that are disclosed in the Addendum; provided that the principal amount secured thereby is not hereafter increased and no additional assets become subject to such security interest, lien or encumbrance.

“Permitted Merger” means any merger or consolidation of (i) any Guarantor with or into another Loan Party in which the surviving entity is a Loan Party, (ii) any Borrower with or into another Borrower in which the surviving entity is a Borrower or (iii) any Subsidiary that is not a Loan Party with or into a Loan Party in which surviving entity is Loan Party.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Official Body or other entity.

“Reportable Compliance Event” shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

“Resource Acquisition Documents” shall mean that certain Stock Purchase Agreement, dated October 13, 2017, by and between SPAR Marketing and Joseph L. Paulk, a Florida resident, and all other documents, agreements and instruments executed in connection therewith, as any of them may be amended, modified or supplemented from time to time in accordance with the terms of this Agreement or the other Loan Documents, each to be in form and substance reasonably satisfactory to the Bank.

“Resource Subsidiary” means Resource Plus of North Florida, Inc., a Florida corporation.

“Sanctioned Country” shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

“Sanctioned Person” shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

“SAS Agreement” shall have the meaning set forth in the most recent SEC Reports applicable to the relevant period or circumstance.

“SBS Arrangement” shall have the meaning set forth in the most recent SEC Reports applicable to the relevant period or circumstance.

“Subsidiary” means, of any Person, at any time means any corporation, trust, partnership, limited liability company or other business entity (i) of which more than 50% of the outstanding voting securities or other interests normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person’s Subsidiaries, or (ii) which is controlled or capable of being controlled by such Person or one or more of such Person’s Subsidiaries.

“**Tangible Net Worth**” means stockholders’ equity in the Spar Group less non-controlling equity interests less all items properly classified as intangibles.

“**Undrawn Availability**” means, as of any date of determination, an amount equal to \$9,000,000 (the Bank’s commitment amount for the Line of Credit), minus (b) the sum of (i) all outstanding Loans hereunder (including all outstanding Letter of Credit obligations hereunder) plus (iii) fees and expenses then due from the Loan Parties hereunder which have not been paid.

Committed Line Of Credit Note

(Daily LIBOR)



\$9,000,000.00

January 16, 2018

FOR VALUE RECEIVED, SPAR MARKETING FORCE, INC., a Nevada corporation, **SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A NATIONAL ASSEMBLY SERVICES, INC.)**, a Nevada corporation, **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia (collectively, the “**Borrower**”), jointly and severally, promise to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), in lawful money of the United States of America in immediately available funds at its offices located at 755 West Big Beaver Road, Suite 2500, Troy, Michigan 48084, or at such other location as the Bank may designate from time to time, the principal sum of **Nine Million and 00/100 DOLLARS (\$9,000,000.00)** (the “**Facility**”) or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder and then outstanding, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. **Advances.** The Borrower may borrow, repay and reborrow hereunder until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as defined herein). The “**Expiration Date**” shall mean **January 16, 2020**, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the face amount of this Note.

2. **Rate of Interest.** Amounts outstanding under this Note will bear interest at a rate per annum which is at all times equal to (A) the Daily LIBOR Rate plus (B) two hundred fifty basis points (2.50%). Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the Eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the Eurodollar market for the selected term and there exists no reasonably available and comparable successor market as determined by the Bank in its sole discretion, or adequate means do not exist for ascertaining the Daily LIBOR Rate, then the Bank shall give notice thereof to the Borrower. Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the interest rate for all amounts outstanding under this Note shall be equal to (A) the Base Rate plus (B) seventy-five (75) basis points (0.75%) (the “**Alternate Rate**”).

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on the Daily LIBOR Rate, the Bank shall notify the Borrower. Upon receipt of such notice, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer apply, the interest rate on all amounts outstanding under this Note shall be the Alternate Rate.

For purposes hereof, the following terms shall have the following meanings:

“**Base Rate**” shall mean the higher of (A) the Prime Rate, and (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%). If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amounts hereunder to which the Base Rate applies will change automatically without notice to the Borrower, effective on the date of any such change.

“**Business Day**” shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Troy, Michigan.

“**Daily LIBOR Rate**” shall mean, for any day, the rate per annum determined by the Bank by dividing (A) the Published Rate by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any Eurocurrency fundings by banks on such day; provided, however, if the Daily LIBOR Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without notice to the Borrower.

“**Overnight Bank Funding Rate**” shall mean, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“**NYFRB**”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Bank for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrower.

“**Prime Rate**” shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“**Published Rate**” shall mean the rate of interest published each Business Day in the Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar rate for a one month period as published in another publication selected by the Bank).

For purposes of the Interest Act (Canada): (i) whenever any interest or fee under this Note or any other Loan Document is calculated on the basis of a period other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Note or any other Loan Document, and (iii) the rates of interest stipulated in this Note or any other Loan Document are intended to be nominal rates and not effective rates or yields.

If any provision of this Note or any other Loan Document would oblige the Canadian Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (i) first, by reducing the amount or rate of interest; and
- (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

3. **Advance Procedures.** If permitted by the Bank, a request for advance may be made by telephone or electronic mail, with such confirmation or verification (if any) as the Bank may require in its discretion from time to time. A request for advance by any Borrower shall be binding upon Borrower, jointly and severally. The Borrower authorizes the Bank to accept telephonic and electronic requests for advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions. The Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephonic and electronic requests or by the making of such advances. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the Borrower.

4. **Payment Terms.** Accrued interest will be due and payable on the first (1st) day of each month, beginning with the payment due on February 1, 2018. The outstanding principal balance and any accrued but unpaid interest shall be due and payable on the Expiration Date.

If any payment under this Note shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment when due hereunder. If the Borrower revokes this authorization for any reason whatsoever or fails to maintain a deposit account with the Bank which may be charged, the Bank may, at its option, upon thirty (30) days notice to the Borrower, increase the interest rate payable by the Borrower under this Note by twenty-five (25) basis points (0.25%). Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

5. **Late Payments; Default Rate.** If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the "**Late Charge**"). Such fifteen (15) day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at a rate per annum (based on the actual number of days that principal is outstanding over a year of 360 days) which shall be three percentage points (3%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "**Default Rate**"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

6. **Prepayment.** The indebtedness evidenced by this Note may be prepaid in whole or in part at any time and from time to time without penalty.

7. **Increased Costs; Yield Protection.** On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Facility. “**Change in Law**” means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

8. **Other Loan Documents.** This Note is issued in connection with a letter agreement or loan agreement between the Borrower and the Bank, dated on or before the date hereof, and the other agreements and documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the “**Loan Documents**”), , and is secured by the property (if any) described in the Loan Documents and by any and all mortgages, security agreements, assignments, loan agreements, pledge agreements and other documents or instruments evidencing a security interest or other lien in favor of the Bank and delivered by the Borrower or by any third party with reference to indebtedness of the Borrower, whether such documents were previously or are hereafter executed, and whether given expressly as security for payment of this Note or generally as security for any and all indebtedness of the Borrower to the Bank. Such documents may be executed contemporaneously with the execution of this Note, or they may be executed and delivered at another time. Collateral securing other obligations of Borrower to the Bank may also secure this Note. Capitalized terms used and not otherwise defined or amended herein shall have the meanings respectively assigned to them in the applicable Loan Document.

9. **Events of Default.** The occurrence of any of the following events shall be an “**Event of Default**” under this Note: (i) the Borrower shall fail to pay any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity) on the date on which such principal becomes due in accordance with the terms hereof and the Loan Agreement; (ii) the Borrower or other applicable Loan Party shall fail to pay any interest on any Loan or any other amount owing hereunder or under the other Loan Documents on the date on which such interest or other amount becomes due in accordance with the terms hereof or thereof and such failure shall continue unremedied for a period of three (3) business days thereafter; (iii) an Event of Default as defined herein, in any of the other Loan Documents or in any other agreement between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates; (iv) a default or event of default under or as defined in any other instrument or document between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates which continues beyond any applicable grace, notice or cure period therein provided or if none is provided, beyond thirty (30) days thereafter; (v) the filing by or against any Loan Party of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Loan Party, such proceeding is not dismissed or stayed within 45 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (vi) any assignment by any Loan Party for the benefit of creditors; (vii) any levy, garnishment, attachment or similar proceeding is instituted against any material property of any Loan Party held by or deposited with the Bank which has not been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; (viii) a default with respect to any other indebtedness of any Loan Party for borrowed money in excess of \$50,000 that continues beyond any applicable grace, notice or cure period therein provided, if the effect of such default is to cause or permit the acceleration of such debt; (ix) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any material portion of the Collateral which has not been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; (x) the entry of a final judgment against any Loan Party and the failure of such Loan Party to discharge the judgment within thirty (30) days of the entry thereof; (xi) any change in any Loan Party’s business, assets, operations, financial condition or results of operations that could reasonably be expected to result in a Material Adverse Change; (xii) any Loan Party ceases doing business as a going concern; (xiii) any representation or warranty made by any Loan Party to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Loan Party to the Bank, is false, erroneous or misleading in any material respect as of the time it was made or furnished; or (xiv) the revocation or attempted revocation, in whole or in part, of any guaranty by any Loan Party.

Upon the occurrence and during the continuance of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (v), (vi) or (vii) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur and be continuing, the outstanding principal balance and accrued interest hereunder together with any additional amounts of the Obligations payable hereunder, on demand from the Bank at its option, and without any other demand or notice of any kind, may be accelerated and become immediately due and payable; (d) on demand from the Bank at its option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law, whether at law, in equity or otherwise.

10. Right of Setoff. In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Upon the occurrence and during the continuance of any Event of Default, every such security interest and right of setoff may be exercised without demand; and every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time, whenever exercised. The Bank agrees to make reasonable efforts to notify the Borrower promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11. Anti-Money Laundering/International Trade Law Compliance. The Borrower represents and warrants to the Bank, as of the date of this Note, the date of each advance of proceeds under the Facility, the date of any renewal, extension or modification of the Facility, and at all times until the Facility has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Facility will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay the Facility are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Borrower covenants and agrees that it shall immediately notify the Bank in writing upon the occurrence of a Reportable Compliance Event.

As used herein: “**Anti-Terrorism Laws**” means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; “**Compliance Authority**” means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; “**Covered Entity**” means the Borrower, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of the Borrower acting in any capacity in connection with the Facility; “**Reportable Compliance Event**” means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; “**Sanctioned Country**” means a country subject to a sanctions program maintained by any Compliance Authority; and “**Sanctioned Person**” means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

12. **Indemnity.** Each Borrower jointly and severally agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the “**Indemnified Parties**”), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach in any material respect of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses attributable to an Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

13. **Miscellaneous.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note) and will be effective upon receipt on a business day (or otherwise on the next business day). Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time (followed by a copy of such Notice delivered by first-class mail or overnight courier). Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the part of the Bank or Borrower to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The rights and remedies of the Bank and Borrower hereunder are cumulative and not exclusive of any other rights or remedies which it may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Note for the purposes of completing blanks, without the need for the Borrower's consent, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail followed by a copy of such Notice delivered by first-class mail or overnight courier). The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns in connection with a corresponding assignment of the Loan Agreement, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

14. Commercial Purpose. The Borrower represents that the indebtedness evidenced by this Note is being incurred by the Borrower solely for the purpose of acquiring or carrying on a business, professional or commercial activity, and not for personal, family or household purposes.

15. Counterparts. This Promissory Note or any amendment hereto may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Promissory Note or any amendment hereto by facsimile transmission or email of a scanned PDF or similar copy shall be effective as delivery of a manually executed counterpart. Any party so executing and delivering this Promissory Note by facsimile transmission or email of a scanned PDF or similar copy shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the executed counterpart delivered by facsimile transmission or email of a scanned PDF or similar copy.

16. USA PATRIOT Act Notice. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Borrower that opens an account. What this means: when the Borrower opens an account, the Bank will ask for the business name, business address, taxpayer identifying number and other information that will allow the Bank to identify the Borrower, such as organizational documents. For some businesses and organizations, the Bank may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

17. **Authorization to Obtain Credit Reports.** By signing below, each Borrower who is an individual provides written authorization to the Bank or its designee (and any assignee or potential assignee hereof) to obtain the Borrower's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering this Note and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

18. **Electronic Signatures and Records.** Notwithstanding any other provision herein, the Borrower agrees that this Note, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at the Bank's option, be in the form of an electronic record; provided that a copy of all Notices set forth in Section 13 shall be also be delivered by first-class mail or overnight courier. Any Communication may, at the Bank's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

19. **Unused Commitment Fee.** Beginning March 31, 2018 and continuing on the last day of each fiscal quarter thereafter until the Expiration Date, the Borrower shall pay an unused commitment fee (the "**Unused Fee**") to the Bank, in arrears, at the rate of one tenth of one percent (0.10%) per annum on the average daily balance under this Note which is undisbursed and uncanceled during the preceding quarter. The Unused Fee shall be computed on the basis of a year of 360 days and paid on the actual number of days elapsed. Borrower hereby authorizes and directs the Bank to charge the Borrower's deposit account with the Bank for each Unused Fee on or after the date it is due.

20. **Depository.** Each Domestic Borrower will establish within thirty (30) days following the date hereof and thereafter maintain with the Bank such Domestic Borrower's primary depository accounts in the United States. If a Domestic Borrower fails to establish and/or maintain its primary depository accounts with the Bank, the Bank may, at its option, upon thirty (30) days notice to the Borrower, increase the interest rate payable by the Borrower under this Note by up to 1.00 percentage points (1.00%). The Bank's right to increase the interest rate pursuant to this paragraph shall be in addition to any other rights or remedies the Bank may have under this Note, all of which are hereby reserved, and shall not constitute a waiver, release or limitation upon the Bank's exercise of any such rights or remedies.

21. **WAIVER OF JURY TRIAL. THE BORROWER AND BANK EACH IRREVOCABLY WAIVE ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER AND BANK EACH ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

The Borrower acknowledges that it has read and understood all the provisions of this Note, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

[SIGNATURE PAGE TO REVOLVING LINE OF CREDIT NOTE]

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

BORROWERS:

WITNESS / ATTEST:

SPAR MARKETING FORCE, INC.

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

By: _____
(SEAL)
Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR ASSEMBLY & INSTALLATION, INC.

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

By: _____
(SEAL)
Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR CANADA COMPANY

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

By: _____
(SEAL)
Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

BUSINESS PURPOSE AFFIDAVIT

The undersigned, being duly sworn (collectively, the "Borrower"), in connection with a loan or loans (the "Loan") from PNC Bank, National Association, a national banking association ("Bank"), hereby certifies that the undersigned is presently engaged in the following type of business:

Retail merchandising

and that the proceeds of the Loan will be used for the following business purpose:

Refinance existing indebtedness and provide for general corporate and ongoing working capital

This Affidavit constitutes a sworn statement given pursuant to the provisions of Public Acts of 1970, No. 52 as amended by Public Acts of 1983, No. 20, Michigan Compiled Laws 438.61 (the "Act"). The Borrower acknowledges that Bank has relied upon the foregoing statements in extending credit to the Borrower as a "business entity" as defined in the Act.

BORROWERS:

WITNESS / ATTEST:

SPAR MARKETING FORCE, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR ASSEMBLY & INSTALLATION, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR CANADA COMPANY

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

ACKNOWLEDGMENT

Signed and sworn to before me in _____ County, _____, on _____, 20__.

Notary's Signature: _____

Notary's Name: _____

Notary Public, State of _____, County of _____

My commission expires: _____

Acting in the County of _____

Guaranty and Suretyship Agreement



THIS GUARANTY AND SURETYSHIP AGREEMENT (as the same may be supplemented, modified, amended or restated from time to time in the manner provided herein, this **“Guaranty”**) is made and entered into as of this 16th day of January, 2018, by and among **SPAR GROUP, INC.**, a Delaware corporation (**“SPAR”**), **SPAR ACQUISITION, INC.**, a Nevada corporation (**“SPAR Acquisition”**), **SPAR GROUP INTERNATIONAL, INC.**, a Nevada corporation (**“SPAR International”**), **SPAR TRADEMARKS, INC.**, a Nevada corporation (**“SPAR Trademarks”**), and **SPAR CANADA, INC.**, a Nevada corporation (**“SPAR Canada”**) (SPAR, SPAR Acquisition, SPAR International, SPAR Trademarks, and SPAR Canada are each, individually and collectively as the context may require, the **“Guarantor”**), in consideration of the extension of credit by **PNC BANK, NATIONAL ASSOCIATION** (the **“Bank”**), with an address at with an address at 755 West Big Beaver Road, Suite 2500, Troy, Michigan 48084., to **SPAR MARKETING FORCE, INC.**, a Nevada corporation (**“SPAR Marketing”**), **SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A NATIONAL ASSEMBLY SERVICES, INC.)**, a Nevada corporation (**“SPAR Assembly”**) and **SPAR CANADA COMPANY**, an unlimited company organized under the laws of Nova Scotia (**“SPAR Canada Company”**) (SPAR Marketing, SPAR Assembly and SPAR Canada Company are each, individually and collectively, the **“Borrower”**), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Reference is made to that certain Loan Agreement, by and among the Borrowers, the Guarantors and PNC Bank, National Association, dated the date hereof (as the same may be supplemented, modified, amended or restated from time to time, the **“Loan Agreement”**). All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

1. Guaranteed Obligations.

(a) The Guarantor hereby unconditionally guarantees, as a primary obligor, and becomes surety for (i) the prompt payment and performance of the Obligations as and when due in accordance with their terms and (ii) the prompt payment of all costs and expenses of the Bank (including reasonable attorneys’ fees and expenses) incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with the Obligations (collectively, the **“Guaranteed Obligations”**). As used herein, **“Obligations”** means all loans, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement, (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner, (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank’s non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements, or (viii) arising from any amendments, extensions, renewals and increases of or to any of the foregoing.

(b) Notwithstanding anything to the contrary contained herein, the definition of "**Obligations**" shall specifically exclude any and all Excluded Swap Obligations. The foregoing limitation of the definition of Obligations shall only be deemed applicable to the obligations of the Guarantor (or solely any particular Guarantor(s) if there is more than one Guarantor) under the particular Swap (or Swaps), or, if arising under a master agreement governing more than one Swap, the portion thereof, that constitute Excluded Swap Obligations. As used herein, (i) "**Excluded Swap Obligations**" means, with respect to each Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap if, and to the extent that, all or any portion of this Guaranty that relates to the obligations under such Swap is or becomes illegal as to such Guarantor under the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute (the "**CEA**"), or any rule, regulation, or order of the Commodity Futures Trading Commission (the "**CFTC**"), by virtue of such Guarantor's failure for any reason to qualify as an "eligible contract participant" (as defined in the CEA and regulations promulgated thereunder) on the Eligibility Date for such Swap; (ii) "**Eligibility Date**" means the date on which this Guaranty becomes effective with respect to the particular Swap (for the avoidance of doubt, the Eligibility Date shall be the date of the execution of the particular Swap if this Guaranty is then in effect, and otherwise it shall be the date of execution and delivery of this Guaranty); and (iii) "**Swap**" means any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder between the Borrower and the Bank, other than (A) a swap entered into on, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (B) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

(c) Upon the occurrence and during the continuance of any Event of Default by the Borrower, on demand from the Bank at its option, the Guarantor will pay such Guaranteed Obligations due to the Bank.

2. **Nature of Guaranty; Waivers.** This is a guaranty of payment and performance, and not merely of collection and the Bank shall not be required or obligated, as a condition of the Guarantor's liability, to make any demand upon or give any notice to any Guarantor or other Loan Party, or to pursue any of its rights against the Borrower, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations.

This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, and the Bank has terminated this Guaranty. This Guaranty will remain in full force and effect even if there is no principal balance outstanding under the Obligations at a particular time or from time to time. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Bank of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Bank to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guaranty thereof. The Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, recoupment, deduction or defense based upon any claim the Guarantor may have (directly or indirectly) against the Borrower or the Bank, except payment, satisfaction or performance of the Obligations.

Notice of acceptance of this Guaranty, notice of extensions of credit to the Borrower from time to time, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Bank's failure to comply with the notice requirements under Sections 9-611 and 9-612 of the Uniform Commercial Code as in effect from time to time are hereby waived. The Guarantor waives all defenses based on suretyship or impairment of collateral.

The Bank at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may, in accordance with the applicable governing Loan Document (a) change the manner, place, time or terms of payment or performance of or interest rates on, or other terms relating to, any of the Obligations; (b) renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (c) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any Obligations of the Borrower in such order, manner and amount as the Bank may determine in its sole discretion; (d) settle, compromise or deal with any other person, including the Borrower or the Guarantor, with respect to any Obligations in such manner as the Bank deems appropriate in its sole discretion; (e) substitute, exchange or release any security or guaranty; or (f) take such actions and exercise such remedies hereunder as provided herein.

3. **Repayments or Recovery from the Bank.** If any demand is made at any time upon the Bank for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Bank repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Bank. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Bank's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

4. **Financial Statements.** Unless compliance is waived in writing by the Bank or until all of the Obligations have been paid in full, the Guarantor will promptly submit to the Bank such information relating to the Guarantor's affairs (including but not limited to annual financial statements and tax returns for the Guarantor) or any security for the Guaranty as the Bank may reasonably request.

5. **Enforceability of Obligations.** No modification, limitation or discharge of the Obligations arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of the Borrower that may result from any such proceeding.

6. **Events of Default.** The occurrence of any of the following shall be an "Event of Default": (i) any Event of Default (as defined in the Loan Agreement, the Note, any of the other Loan Documents or any other agreement between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates; (ii) a default or event of default under or as defined in any other instrument or document between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates which continues beyond any applicable grace, notice or cure period therein provided or if none is provided, beyond thirty (30) days thereafter; (iii) the Guarantor's failure to perform any of its obligations hereunder; (iv) the falsity, inaccuracy in any material respect or material breach by the Guarantor of any written warranty, representation or statement made or furnished to the Bank by or on behalf of the Guarantor; or (v) the termination or attempted termination of this Guaranty. Upon the occurrence and during the continuance of any Event of Default, (a) on demand from the Bank at its option, the Guarantor shall pay to the Bank the amount of the Guaranteed Obligations due and payable under the Loan Documents; or (b) on demand from the Bank at its option the Guarantor shall immediately deposit with the Bank, in U.S. dollars, all amounts due or scheduled to become due under the Guaranteed Obligations, and the Bank may at any time use such funds to repay the Obligations; or (c) the Bank in its discretion may exercise with respect to any Collateral any one or more of the rights and remedies provided to a secured party under the Security Agreement and the applicable version of the Uniform Commercial Code; or (d) the Bank in its discretion may exercise from time to time any other rights and remedies available to it under the Loan Documents or applicable law, whether at law, in equity or otherwise.

7. **Right of Setoff.** In addition to all liens upon and rights of setoff against the Guarantor's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Guarantor's obligations to the Bank under this Guaranty and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Guarantor hereby grants Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank all of the Guarantor's right, title and interest in and to, all of the Guarantor's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Upon the occurrence and during the continuance of any Event of Default, every such security interest and right of setoff may be exercised without demand; and every such security interest and right of setoff may be exercised without demand upon or notice to the Guarantor; and every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time, whenever exercised. The Bank will make reasonable efforts to notify the Guarantor promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

8. **Collateral.** This Guaranty is secured by the property described in the Security Agreement or any other collateral security documents which the Guarantor executes and delivers to the Bank and by such other collateral as previously may have been or may in the future be granted to the Bank to secure any obligations of the Guarantor to the Bank.

9. **Costs.** To the extent that the Bank incurs any costs or expenses in protecting or enforcing its rights under the Obligations or this Guaranty, including reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the Guaranteed Obligations and will bear interest from the incurring or payment thereof at the Default Rate (as defined in the Note).

10. **Postponement of Subrogation.** Until the Obligations are indefeasibly paid in full, expire, are terminated and are not subject to any right of revocation or rescission, the Guarantor postpones and subordinates in favor of the Bank or its designee (and any assignee or potential assignee) any and all rights which the Guarantor may have to (a) assert any claim whatsoever against the Borrower based on subrogation, exoneration, reimbursement, or indemnity or any right of recourse to security for the Obligations with respect to payments made hereunder, and (b) any realization on any property of the Borrower, including participation in any marshalling of the Borrower's assets.

11. **Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as otherwise provided in this Guaranty) and will be effective upon receipt. Notices may be given in any manner to which the Bank and the Guarantor may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the Bank and the Guarantor agree that Notices may be sent electronically to any electronic address provided by either to the other from time to time (followed by a copy of such Notice delivered by first-class mail). Notices may be sent to addresses for the Bank and the Guarantor as set forth above or to such other address as either may give to the other for such purpose in accordance with this section.

12. **Preservation of Rights.** No delay or omission on the part of the Bank or Guarantor to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The rights of the Bank and Guarantor and remedies hereunder are cumulative and not exclusive of any other rights or remedies which it may have under other agreements, at law or in equity. The Bank may proceed in any order against the Borrower, the Guarantor or any other obligor of, or any collateral securing, the Obligations.

13. **Illegality.** If any provision contained in this Guaranty should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Guaranty.

14. **Changes in Writing.** No modification, amendment or waiver of, or consent to any departure by the Guarantor from, any provision of this Guaranty will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Guaranty for the purposes of completing blanks, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Guarantor (which notice may be given by electronic mail). No notice to or demand on the Guarantor will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

15. **Entire Agreement.** This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Bank with respect to the subject matter hereof; provided, however, that this Guaranty is in addition to, and not in substitution for, any other guarantees from the Guarantor to the Bank.

16. **Successors and Assigns.** This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Guarantor may not assign this Guaranty in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Guaranty in whole or in part in connection with a corresponding assignment of the Loan Agreement.

17. **Interpretation.** In this Guaranty, unless the Bank and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and references to sections or exhibits are to those of this Guaranty. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose. If this Guaranty is executed by more than one party as Guarantor, the obligations of such persons or entities will be joint and several.

18. **Anti-Money Laundering/International Trade Law Compliance.** The Guarantor represents and warrants to the Bank, as of the date of this Guaranty, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any loan, and at all times any Obligations exist that: (A) no Guarantor (i) is listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejections of transactions) under any order or directive of any Compliance Authority; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Person or Sanctioned Country in violation of any law or regulation enforced by any Compliance Authority; (B) the proceeds of any loan will not be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Country; and (C) each Guarantor is in compliance with, and no Guarantor engages in any dealings or transactions prohibited by, any laws of the United States including the USA Patriot Act, the Trading with the Enemy Act, or the U.S. Foreign Corrupt Practices Act of 1977, all as amended, supplemented or replaced from time to time. As used herein: "**Compliance Authority**" means each and all of the (a) U.S. Department of the Treasury's Office of Foreign Asset Control; (b) U.S. Treasury Department/Financial Crimes Enforcement Network; (c) U.S. State Department/Directorate of Defense Trade Controls; (d) U.S. Commerce Department/Bureau of Industry and Security; (e) U.S. Internal Revenue Service; (f) U.S. Justice Department; and (g) U.S. Securities and Exchange Commission. "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority. "**Sanctioned Person**" means any individual person, a group, regime, entity or thing subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

19. **Indemnity.** The Guarantor agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against, any and all claims, damages, losses, liabilities and expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Guarantor), in connection with or arising out of or relating to the matters referred to in this Guaranty, whether (a) arising from or incurred in connection with any breach in any material respect of a representation, warranty or covenant by the Guarantor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses attributable to an Indemnified Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The indemnity agreement contained in this section shall survive the termination of this Guaranty and assignment of any rights hereunder. The Guarantor may participate at its expense in the defense of any such claim.

20. **Governing Law and Jurisdiction.** This Guaranty has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS GUARANTY WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN SUCH STATE (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** The Guarantor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Guaranty will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

21. **Counterparts.** This Guaranty or any amendment hereto may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Guaranty or any amendment hereto by facsimile transmission or email of a scanned PDF or similar copy shall be effective as delivery of a manually executed counterpart. Any party so executing and delivering this Guaranty by facsimile transmission or email of a scanned PDF or similar copy shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the executed counterpart delivered by facsimile transmission or email of a scanned PDF or similar copy.

22. **Electronic Signatures and Records.** Notwithstanding any other provision herein, the Guarantor agrees that this Guaranty, any amendments thereto and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at the Bank's option, be in the form of an electronic record; provided that a copy of all Notices set forth in Section 11 shall be also be delivered by first-class mail or overnight courier. Any Communication may, at the Bank's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this section may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

23. **Equal Credit Opportunity Act.** If the Guarantor is not an "applicant for credit" under Section 202.2 (e) of the Equal Credit Opportunity Act of 1974 ("ECOA"), the Guarantor acknowledges that (i) this Guaranty has been executed to provide credit support for the Obligations, and (ii) the Guarantor was not required to execute this Guaranty in violation of Section 202.7(d) of the ECOA.

24. **WAIVER OF JURY TRIAL. THE GUARANTOR AND BANK EACH IRREVOCABLY WAIVE ANY AND ALL RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR AND BANK EACH ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

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[SIGNATURE PAGE TO GUARANTY AND SURETYSHIP AGREEMENT]

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

GUARANTORS:

WITNESS / ATTEST:

SPAR GROUP, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR ACQUISITION, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR GROUP INTERNATIONAL, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

WITNESS / ATTEST:

SPAR TRADEMARKS, INC.

By: _____
(SEAL)

Print Name: _____
Title: _____
(Include title only if an officer of entity signing to the right)

Print Name: James R. Segreto
Title: Chief Financial Officer, Secretary and Treasurer

[SIGNATURE PAGE TO GUARANTY AND SURETYSHIP AGREEMENT]

GUARANTORS (cont.):

WITNESS / ATTEST:

SPAR CANADA, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)



Security Agreement

THIS SECURITY AGREEMENT (as the same may be supplemented, modified, amended or restated from time to time in the manner provided herein, this “**Agreement**”), dated as of this 16th day of January, 2018, is made by and among **SPAR MARKETING FORCE, INC.**, a Nevada corporation, **SPAR ASSEMBLY & INSTALLATION, INC. (F/K/A NATIONAL ASSEMBLY SERVICES, INC.)**, a Nevada corporation, **SPAR CANADA COMPANY**, an unlimited liability company organized under the laws of Nova Scotia, **SPAR CANADA, INC.**, a Nevada corporation, **SPAR GROUP, INC.**, a Delaware corporation, **SPAR ACQUISITION, INC.**, a Nevada corporation, **SPAR GROUP INTERNATIONAL, INC.**, a Nevada corporation, **SPAR TRADEMARKS, INC.**, a Nevada corporation, (each individually and collectively as the context may require, the “**Grantor**”), and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), with an address at 755 West Big Beaver Road, Suite 2500, Troy, Michigan 48084.

Under the terms hereof, the Bank desires to obtain and the Grantor desires to grant the Bank security for all of the Obligations (as hereinafter defined).

NOW, THEREFORE, the Grantor and the Bank, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the meanings respectively assigned to them in that certain Loan Agreement, dated as of the date hereof, by and among the Grantors and the Bank, (as the same may be supplemented, modified, amended or restated from time to time in the manner provided therein, the “**Loan Agreement**”) or other relevant Loan Document (as defined in the Loan Agreement).

(b) “**Collateral**” shall include all personal property of the Grantor, including the following, all whether now owned or hereafter acquired or arising and wherever located: (i) accounts (including health-care-insurance receivables and credit card receivables); (ii) securities entitlements, securities accounts, commodity accounts, commodity contracts and investment property; (iii) deposit accounts; (iv) instruments (including promissory notes); (v) documents (including warehouse receipts); (vi) chattel paper (including electronic chattel paper and tangible chattel paper); (vii) inventory, including raw materials, work in process, or materials used or consumed in Grantor’s business, items held for sale or lease or furnished or to be furnished under contracts of service, sale or lease, goods that are returned, reclaimed or repossessed; (viii) goods of every nature, including stock-in-trade, goods on consignment, standing timber that is to be cut and removed under a conveyance or contract for sale, the unborn young of animals, crops grown, growing, or to be grown, manufactured homes, computer programs embedded in such goods and farm products; (ix) equipment, including machinery, vehicles and furniture; (x) fixtures; (xi) agricultural liens; (xii) as-extracted collateral; (xiii) commercial tort claims, if any, described on Exhibit “B” hereto (if an Exhibit B is attached); (xiv) letter of credit rights; (xv) general intangibles, of every kind and description, including payment intangibles, software, computer information, source codes, object codes, records and data, all existing and future customer lists, choses in action, claims (including claims for indemnification or breach of warranty), books, records, patents and patent applications, copyrights, trademarks, tradenames, tradestyles, trademark applications, goodwill, blueprints, drawings, designs and plans, trade secrets, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies; (xvi) all supporting obligations of all of the foregoing property; (xvii) all property of the Grantor now or hereafter in the Bank’s possession or in transit to or from, or under the custody or control of, the Bank or any affiliate thereof; (xviii) all cash and cash equivalents; and (xix) all cash and noncash proceeds (including insurance proceeds) of all of the foregoing property, all products thereof and all additions and accessions thereto, substitutions therefor and replacements thereof. The Collateral shall also include any and all other tangible or intangible property that is described as being part of the Collateral pursuant to one or more Riders to Security Agreement that may be attached hereto or delivered in connection herewith, including the Rider to Security Agreement - Copyrights, the Rider to Security Agreement - Patents, the Rider to Security Agreement - Trademarks and the Rider to Security Agreement - Cash Collateral Account; provided, however, that the Collateral shall not include any shares, stock, membership interests, equity interests in the Excluded Subsidiaries (as defined in, and pursuant to the terms of, the Loan Agreement), Spar Canada Company or Spar Canada.

(c) **“Obligations”** shall include all loans, advances, debts, liabilities, obligations, covenants and duties owing by the Grantor to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Grantor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement, (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner, (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank’s non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys’ fees and expenses.

(d) **“UCC”** means the Uniform Commercial Code, as adopted and enacted and as in effect from time to time in the State whose law governs pursuant to the Section of this Agreement entitled “Governing Law and Jurisdiction.” Terms used herein which are defined in the UCC and not otherwise defined herein shall have the respective meanings ascribed to such terms in the UCC. To the extent the definition of any category or type of collateral is modified by any amendment, modification or revision to the UCC, such modified definition will apply automatically as of the date of such amendment, modification or revision.

2. **Grant of Security Interest; Automatic Release in any Permitted Disposition.** To secure the Obligations, the Grantor, as debtor, hereby assigns and grants to the Bank, as secured party, a continuing lien on and security interest in the Collateral. The Bank’s lien on and security interest in the Collateral shall be automatically released in and to the extent of any Permitted Disposition (as defined below).

3. **Change in Name or Locations.** The Grantor hereby agrees that if the location of the Collateral changes from the locations listed on Exhibit “A” hereto and made part hereof or the Addendum, or if the Grantor changes its name, its type of organization, its state or province of organization (if Grantor is a registered organization), its principal residence (if Grantor is an individual), its chief executive office (if Grantor is a general partnership or non-registered organization) or establishes a name in which it may do business that is not listed as a tradename on Exhibit “A” hereto or the Addendum, the Grantor will immediately notify the Bank in writing of the additions or changes.

4. **General Representations, Warranties and Covenants.** The Grantor represents, warrants and covenants to the Bank that, except as otherwise set forth on the Addendum: (a) all information, including its type of organization, jurisdiction of organization, chief executive office, and (for individuals only) principal residence are as set forth on Exhibit “A” hereto and are true and correct on the date hereof, (b) if the Grantor is an individual, the Grantor’s name in this Agreement is identical to the Grantor’s name indicated on an unexpired driver’s license issued to the Grantor by the state of the Grantor’s principal residence, and the Grantor will continue to maintain such driver’s license and notify the Bank of any changes in the Grantor’s name or the name indicated on such driver’s license; (c) the Grantor has good, marketable and indefeasible title to the Collateral, has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral, and the Collateral is free from all encumbrances and rights of setoff of any kind except the lien in favor of the Bank created by this Agreement and other liens consented to in writing by the Bank (including as permitted by the Loan Agreement); and (d) the Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

5. **Grantor's Representations, Warranties and Covenants for Certain Collateral.** The Grantor represents, warrants and covenants to the Bank as follows:

(a) From time to time and at all reasonable times during normal business hours upon reasonable notice, the Grantor will allow the Bank, by or through any of its officers, agents, attorneys, or accountants, to examine or inspect the Collateral, and obtain valuations and audits of the Collateral, at the Grantor's expense, wherever located. The Grantor shall do, obtain, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may reasonably require to vest in and assure to the Bank its rights hereunder and in or to the Collateral, and the proceeds thereof, including waivers from landlords, warehousemen and mortgagees.

(b) The Grantor will maintain the Collateral in accordance with the Loan Agreement and shall immediately notify the Bank of any event causing a material loss or decline in value of the Collateral as a whole, whether or not covered by insurance, and the amount of such loss or depreciation.

(c) The Grantor will only use or permit the Collateral to be used in accordance with all applicable federal, state, county and municipal laws and regulations in all material respects.

(d) The Grantor will have and maintain insurance at all times with respect to all Collateral against risks of fire (including so-called extended coverage), theft, sprinkler leakage, and other risks (including risk of flood if any Collateral is maintained at a location in a flood hazard zone) as the Bank may reasonably require, in such form, in such amount, for such period and written by such companies as may be reasonably satisfactory to the Bank in its reasonable discretion. Each such casualty insurance policy shall contain a standard Lender's Loss Payable Clause issued in favor of the Bank under which all losses thereunder shall be paid to the Bank as the Bank's interests may appear. Such policies shall expressly provide that the requisite insurance cannot be altered or canceled without at least thirty (30) days prior written notice to the Bank and shall insure the Bank notwithstanding the act or neglect of the Grantor. Upon the Bank's demand, the Grantor will furnish the Bank with duplicate original policies of insurance or such other evidence of insurance as the Bank may reasonably require. If the Grantor fails to maintain insurance as herein required as determined by the Bank in its reasonable discretion, the Bank may, at its option, obtain such insurance and the Grantor will pay to the Bank, on demand, the cost thereof. Proceeds of insurance may be applied by the Bank to reduce the Obligations or to repair or replace Collateral, all in the Bank's sole discretion.

(e) Each account and general intangible is genuine and enforceable in accordance with its respective terms (in each case other than as may be limited by applicable law), no such account or general intangible will be subject to any claim for credit, allowance or adjustment by any account debtor or any setoff, defense or counterclaim, and the Grantor will defend the same against all claims, demands, setoffs and counterclaims at any time asserted (in each case other than as may be provided by the applicable client contract or customary business practices). At the time any account or general intangible becomes subject to this Agreement, such account or general intangible will be a good and valid account representing a bona fide sale of goods or services by the Grantor and such goods will have been shipped to the respective account debtors or the services will have been performed for the respective account debtors.

(f) The Grantor agrees that the Bank has the right during the continuance of any Event of Default to notify (on invoices or otherwise) account debtors and other obligors or payors on any Collateral of its assignment to the Bank, and that all payments thereon should be made directly to the Bank. The Bank agrees to make reasonable efforts to notify the Grantor promptly after sending any such notice, provided that the failure to give such notice shall not affect the rights of the Bank under this provision.

(g) The Grantor will, on the Bank's demand, make notations on its books and records showing the Bank's security interest and make available to the Bank shipping and delivery receipts evidencing the shipment of the goods that gave rise to an account, completion certificates or other proof of the satisfactory performance of services that gave rise to an account, a copy of the invoice for each account and copies of any written contract or order from which an account arose. The Grantor will promptly notify the Bank if an account becomes evidenced or secured by an instrument or chattel paper and upon the Bank's request, will promptly deliver any such instrument or chattel paper to the Bank, including any letter of credit delivered to the Grantor to support a shipment of inventory by the Grantor.

(h) The Grantor will promptly advise the Bank whenever an account debtor refuses to retain or returns any goods from the sale of which an account arose and will comply with any instructions that the Bank may give regarding the sale or other disposition of such returns. From time to time with such frequency as the Bank may request, the Grantor will report to the Bank all credits given to account debtors on all accounts.

(i) The Grantor will immediately notify the Bank if any account arises out of contracts with the United States or any department, agency or instrumentality thereof, and will execute any instruments and take any steps required by the Bank so that all monies due and to become due under such contract shall be assigned to the Bank and notice of the assignment given to and acknowledged by the appropriate government agency or authority under the Federal Assignment of Claims Act.

(j) At any time during the continuance of an Event of Default, and without notice to the Grantor, the Bank may direct any persons who are indebted to the Grantor on any Collateral consisting of accounts or general intangibles to make payment directly to the Bank of the amounts due, and the Bank may notify the United States Postal Service to send the Grantor's mail to the Bank. The Bank agrees to make reasonable efforts to notify the Grantor promptly after sending any such notice, provided that the failure to give such notice shall not affect the rights of the Bank under this provision. The Bank is authorized to collect, compromise, endorse and sell any such Collateral in its own name or in the Grantor's name and to give receipts to such account debtors for any such payments and the account debtors will be protected in making such payments to the Bank. Upon the Bank's written request during the continuance of an Event of Default, the Grantor will establish with the Bank and maintain a lockbox account ("**Lockbox**") with the Bank and a depository account(s) ("**Cash Collateral Account**") with the Bank subject to the provisions of this subparagraph and such other related agreements as the Bank may require, and the Grantor shall notify its account debtors to remit payments directly to the Lockbox. Thereafter, funds collected in the Lockbox shall be transferred to the Cash Collateral Account, and funds in the Cash Collateral Account shall be applied by the Bank, daily, to reduce the outstanding Obligations.

6. **Negative Pledge; No Transfer.** Without the Bank's prior written consent, the Grantor will not sell or offer to sell or otherwise transfer or grant or allow the imposition of a lien, security interest or right of setoff upon the Collateral, will not allow any third party to gain control of all or any part of the Collateral, and will not use any portion of the Collateral in any manner inconsistent with this Agreement or with the terms and conditions of any policy of insurance thereon; in each case except (a) as permitted by the Loan Agreement, (b) for credits, allowances or adjustments to any account or general intangible by any account debtor made pursuant to the applicable client contract or customary business practices, and (c) for the use of cash in the Grantor's ordinary course of business so long as the use of cash is not inconsistent with this Agreement or any of the other Loan Documents (each a "**Permitted Disposition**").

7. **Further Assurances.** By its signature hereon, the Grantor hereby irrevocably authorizes the Bank to file against the Grantor one or more financing, continuation or amendment statements pursuant to the UCC in form satisfactory to the Bank, and the Grantor will pay the cost of preparing and filing the same in all jurisdictions in which such filing is deemed by the Bank to be necessary or desirable in order to perfect, preserve and protect its security interests. If required by the Bank, the Grantor will execute all documentation necessary for the Bank to obtain and maintain perfection of its security interests in the Collateral. At the Bank's request, the Grantor will execute, in form satisfactory to the Bank, a Rider to Security Agreement - Copyrights (if any Collateral consists of registered or unregistered copyrights), a Rider to Security Agreement - Patents (if any Collateral consists of patents or patent applications), a Rider to Security Agreement - Trademarks (if any Collateral consists of trademarks, tradenames, tradestyles or trademark applications). If any Collateral consists of letter of credit rights, electronic chattel paper, deposit accounts or supporting obligations not maintained with the Bank or one of its affiliates, or any securities entitlement, securities account, commodities account, commodities contract or other investment property, then at the Bank's request the Grantor will execute, and will cause the depository institution or securities intermediary upon whose books and records the ownership interest of the Grantor in such Collateral appears, to execute such Pledge Agreements, Notification and Control Agreements or other agreements as the Bank deems necessary in order to perfect, prioritize and protect its security interest in such Collateral, in each case in a form reasonably satisfactory to the Bank and Grantor.

8. **Events of Default.** The Grantor shall, at the Bank's option, be in default under this Agreement upon the happening of any of the following events or conditions (each, an "**Event of Default**"): (a) any Event of Default (as defined in the Loan Agreement, the Note, any of the other Loan Documents or any other agreement between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates); (b) a default or event of default under or as defined in any other instrument or document between any Loan Party and PNC Bank, National Association or any of its subsidiaries or affiliates which continues beyond any applicable grace, notice or cure period therein provided or if none is provided, beyond thirty (30) days thereafter; (c) the Grantor shall default in the observance or performance of the covenants, conditions or provision of Sections 5(b), (c), (d) and (h) or Section 6, solely to the extent any such default is curable, and such default shall continue unremedied for a period of 30 days; (d) the failure by the Grantor to perform any of its other obligations under this Agreement; (e) falsity, inaccuracy in any material respect or material breach by the Grantor of any written warranty, representation or statement made or furnished to the Bank by or on behalf of the Grantor; (f) an uninsured material loss, theft, damage, or destruction to any material portion of the Collateral, or the entry of any judgment against the Grantor or any lien against or the making of any levy, seizure or attachment of or on the Collateral) in each case which is not satisfied, remedied or discharged within thirty (30) days; (g) the failure of the Bank to have a perfected first priority security interest in the Collateral; or (h) any indication or evidence received by the Bank that the Grantor may have directly or indirectly been engaged in any type of activity which, in the Bank's reasonable discretion, could reasonably be expected to result in the forfeiture of any property of the Grantor to any governmental entity, federal, state or local.

9. **Remedies.** If an Event of Default has occurred and is continuing, the Bank may declare all Obligations secured hereby immediately due and payable and shall have, in addition to any remedies provided herein or by any applicable law or in equity, all the remedies of a secured party under the UCC. The Bank's remedies include, but are not limited to, the right to (a) peaceably by its own means or with judicial assistance enter the Grantor's premises and take possession of the Collateral without prior notice to the Grantor or the opportunity for a hearing, (b) render the Collateral unusable, (c) dispose of the Collateral on the Grantor's premises, and (d) require the Grantor to assemble the Collateral and make it available to the Bank at a place designated by the Bank. The Grantor agrees that the Bank has full power and authority to collect, compromise, endorse, sell or otherwise deal with the Collateral in its own name or that of the Grantor at any time upon an Event of Default. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank will give the Grantor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of commercially reasonable notice shall be met if such notice is sent to the Grantor at least ten (10) days before the time of the intended sale or disposition. Expenses of retaking, holding, preparing for disposition, disposing or the like shall include the Bank's reasonable attorneys' fees and legal expenses, incurred or expended by the Bank to enforce any payment due it under this Agreement either as against the Grantor, or in the prosecution or defense of any action, or concerning any matter growing out of or connection with the subject matter of this Agreement and the Collateral pledged hereunder. The Grantor waives all relief from all appraisal or exemption laws now in force or hereafter enacted.

10. **Power of Attorney.** The Grantor does hereby make, constitute and appoint any officer or agent of the Bank as the Grantor's true and lawful attorney-in-fact, with power to, during the continuance of any Event of Default, (a) endorse the name of the Grantor or any of the Grantor's officers or agents upon any notes, checks, drafts, money orders, or other instruments of payment or Collateral that may come into the Bank's possession in full or part payment of any Obligations; (b) sue for, compromise, settle and release all claims and disputes with respect to, the Collateral; and (c) sign, for the Grantor, such documentation required by the UCC, or supplemental intellectual property security agreements; granting to the Grantor's said attorney full power to do any and all things necessary to be done in and about the premises as fully and effectually as the Grantor might or could do. The Grantor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest, and is irrevocable.

11. **Payment of Expenses.** At its option, the Bank may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for required insurance on the Collateral and may pay for the maintenance, appraisal or reappraisal, and preservation of the Collateral, as determined by the Bank to be necessary. The Grantor will reimburse the Bank on demand for any payment so made or any expense incurred by the Bank pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by the Bank.

12. **Notices.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as otherwise provided in this Agreement) and will be effective upon receipt on a business day (or otherwise on the next business day). Notices may be given in any manner to which the parties may separately agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time (followed by a copy of such Notice delivered by first-class mail or overnight courier). Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

13. **Preservation of Rights.** No delay or omission on the part of the Bank or Grantor to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the its action or inaction impair any such right or power. The rights and remedies of the Bank and Grantor hereunder are cumulative and not exclusive of any other rights or remedies which it may have under other agreements, at law or in equity.

14. **Illegality.** If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

15. **Changes in Writing.** No modification, amendment or waiver of, or consent to any departure by the Grantor from, any provision of this Agreement will be effective unless made in a writing signed by the Bank and Grantors, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Agreement for the purposes of completing blanks without the need for the Grantor's consent, provided that the Bank shall send a copy of any such modification to the Grantor (which notice may be given by electronic mail.) No notice to or demand on the Grantor will entitle the Grantor to any other or further notice or demand in the same, similar or other circumstance.

16. **Entire Agreement.** This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

17. **Counterparts.** This Agreement or any amendment hereto may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement or any amendment hereto by facsimile transmission or email of a scanned PDF or similar copy shall be effective as delivery of a manually executed counterpart. Any party so executing and delivering this Agreement by facsimile transmission or email of a scanned PDF or similar copy shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the executed counterpart delivered by facsimile transmission or email of a scanned PDF or similar copy.

18. **Electronic Signatures and Records.** Notwithstanding any other provision herein, the Grantor agrees that this Agreement, any other amendments thereto and any other information, notice, signature card, agreement or authorization related thereto (each, a “**Communication**”) may, at the Bank’s option, be in the form of an electronic record; provided that a copy of all Notices set forth in Section 12 shall be also be delivered by first-class mail or overnight courier. Any Communication may, at the Bank’s option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this Section may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

19. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the Grantor and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Grantor may not assign this Agreement in whole or in part without the Bank’s prior written consent and the Bank at any time may assign this Agreement in whole or in part in connection with a corresponding assignment of the Loan Agreement.

20. **Interpretation.** In this Agreement, unless the Bank and the Grantor otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word “or” shall be deemed to include “and/or”, the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one Grantor, the obligations of such persons or entities will be joint and several.

21. **Indemnity.** The Grantor agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the “**Indemnified Parties**”), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and out-of-pocket expenses (including all reasonable fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Grantor), in connection with or arising out of or relating to the matters referred to in this Agreement or the Obligations, whether (a) arising from or incurred in connection with any breach in any material respect of a representation, warranty or covenant by the Grantor, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses attributable to an Indemnified Party’s gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The indemnity agreement contained in this Section shall survive the termination of this Agreement, payment of the Obligations and the assignment of any rights hereunder. The Grantor may participate at its expense in the defense of any such claim.

22. **Governing Law and Jurisdiction.** This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN SUCH STATE (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT), EXCEPT THAT THE LAWS OF THE STATE WHERE ANY COLLATERAL IS LOCATED (IF DIFFERENT FROM THE STATE WHERE SUCH OFFICE OF THE BANK IS LOCATED) SHALL GOVERN THE CREATION, PERFECTION AND FORECLOSURE OF THE LIENS CREATED HEREUNDER ON SUCH PROPERTY OR ANY INTEREST THEREIN.** The Grantor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Grantor individually, against any security or against any property of the Grantor within any other county, state or other foreign or domestic jurisdiction. The Bank and the Grantor agree that the venue provided above is the most convenient forum for both the Bank and the Grantor. The Grantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

23. **WAIVER OF JURY TRIAL.** EACH OF THE GRANTOR AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GRANTOR AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Grantor acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

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[SIGNATURE PAGE TO SECURITY AGREEMENT]

WITNESS the due execution hereof as a document under seal, as of the date first written above.

GRANTORS:

WITNESS / ATTEST:

SPAR MARKETING FORCE, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR ASSEMBLY & INSTALLATION, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR CANADA COMPANY

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR CANADA, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

[SIGNATURE PAGE TO SECURITY AGREEMENT]

GRANTORS (cont.):

WITNESS / ATTEST:

SPAR GROUP, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR ACQUISITION, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR GROUP INTERNATIONAL, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

WITNESS / ATTEST:

SPAR TRADEMARKS, INC.

By: _____

(SEAL)

Print Name: _____

Print Name: James R. Segreto

Title: _____

Title: Chief Financial Officer, Secretary and Treasurer

(Include title only if an officer of entity signing to the right)

[SIGNATURE PAGE TO SECURITY AGREEMENT]

BANK:

PNC BANK, NATIONAL ASSOCIATION

By: _____
(SEAL)

Print Name: Scott Neiderheide

Title: Vice President