

GREENE COUNTY, OHIO
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COMMON PLEAS COURT
GREENE COUNTY, OHIO

**IN THE COURT OF COMMON PLEAS
GREENE COUNTY, OHIO
CIVIL DIVISION**

JOANNE R. BARNARD
1440 Fielder Street
Ashland, OR 97520

Plaintiff,

v.

QBASE INC.
c/o Willard W. Pardue, Jr., Statutory Agent
3610 Pentagon Boulevard
Beavercreek, OH 45431

Defendant.

Case No.

2009CV0955

Judge

**JUDGE
WOLAVER**

COMPLAINT

Now comes the Plaintiff Joanne R. Barnard, by and through counsel, and for her
Complaint against Qbase Inc. states as follows:

PARTIES

1. Plaintiff Joanne R. Barnard is an individual residing in Ashland, Oregon.
2. Defendant Qbase Inc. ("Qbase") is an Ohio corporation doing business in
Greene County, Ohio.

Computer

JURISDICTION AND VENUE

3. Plaintiff's claims arise under the laws of the State of Ohio. The amount in controversy exceeds this Court's jurisdictional requirement.

4. Venue is proper because the actions of Defendant giving rise to the claims for relief alleged herein occurred and caused damages in Greene County, Ohio, and because Defendant's principal place of business is in Greene County, Ohio.

FACTS

5. On February 14, 2006, Qbase offered Ms. Barnard a position as a Vice President and General Manager.

6. At the same time, Qbase also promised Ms. Barnard that she would have the opportunity to become an owner in the company or a related entity.

7. Ms. Barnard accepted Qbase's offer and began her employment with the company on April 10, 2006.

8. Ms. Barnard became an owner of Qbase in November 2006.

9. Qbase had offered Ms. Barnard the opportunity to purchase 2% of the company, which the company represented to her equated to 273.3 shares, at a price of \$65,000 for each percentage interest for a total purchase price of \$130,000.

10. Qbase had also offered to finance a portion of Ms. Barnard's stake in the company. Qbase informed Ms. Barnard that if she paid \$75,000 cash towards the purchase of her shares, then she could pay the balance of her capital contribution, \$55,000, without interest, using future commissions.

11. Ms. Barnard accepted Qbase's offer.

12. Ms. Barnard purchased a 2% stake in Qbase on November 2, 2006. She issued a check in the amount of \$75,000 on December 29, 2006 made payable to Qbase Inc., leaving a balance of \$55,000. In exchange, Qbase issued her 273.3 shares, which it informed her represented 2% of the issued and outstanding shares in the company.

13. Qbase terminated Ms. Barnard's employment on December 11, 2007.

14. On November 16, 2007, Tom Shoup, the company's Chief Operating Officer, issued a letter to Ms. Barnard informing her that her employment would terminate effective December 15, 2007.

15. Neither Mr. Shoup nor any other Qbase representative provided any explanation or justification for the company's decision to terminate Ms. Barnard's employment.

16. Rather, Qbase informed Ms. Barnard that it had the discretion to terminate her employment for any reason or none at all because it considered her an at-will employee.

17. Qbase later informed Ms. Barnard that it was amending her termination date. On December 11, 2007 at 3:30PM, Tom Shoup informed her via email that the company was terminating her employment effective the close of business that very same day.

18. Qbase had no legitimate business justification for terminating Ms. Barnard's employment.

19. At the same time Mr. Shoup notified Ms. Barnard of Qbase's decision to terminate her employment, he provided her with a copy of a Shareholders' Agreement among Qbase and The Shareholders of the Company, dated November 21, 2006

("Shareholders' Agreement"). A copy of the Shareholders' Agreement is attached and incorporated herein as Exhibit 1.

20. Mr. Shoup represented to Ms. Barnard that the Shareholders' Agreement accurately describes her rights and obligations as a Qbase shareholder.

21. The Shareholders' Agreement provides that Qbase has an obligation to purchase Ms. Barnard's shares upon termination of her service relationship. Specifically, it provides as follows:

Should any Key Staff Shareholder for any reason at any time cease to maintain a Service Relationship with at least one Affiliated Company . . . such Shareholder . . . shall sell to the Company, and the Company shall purchase, all Shares held (directly or in trust) by the Shareholder.

Exhibit 1 at §3.5.

22. At the time Qbase terminated her employment, Ms. Barnard was a Key Staff Shareholder within the meaning of the Shareholders' Agreement.

23. The Shareholders' Agreement also prescribes the price at which Qbase shall purchase all of Ms. Barnard's shares in the Company. *See* Exhibit 1 at §§3.10, 3.11.

24. Qbase has never fulfilled its contractual obligation to purchase Ms. Barnard's shares on the terms and conditions contemplated in the Shareholders' Agreement.

25. Instead, Qbase pressured Ms. Barnard to sell her shares in the company at a price less than the Fair Value per Share and on terms and conditions less favorable than described in the Shareholders' Agreement.

26. On December 31, 2007, Qbase affected a 40:1 stock split. As a consequence, Ms. Barnard became the owner of 10,392 shares in lieu of her previous ownership position of 273.3 shares.

27. In January 2008, Qbase informed Ms. Barnard that the company was unable to repurchase her shares because the company lacked sufficient capital to do so and because it was contractually precluded from doing so on account of prohibitions or limitations included in a loan agreement to which it was a party.

28. Even assuming these alleged barriers to purchasing Ms. Barnard's shares were valid, Qbase could have eliminated them but has not done so.

29. The Shareholders' Agreement requires Qbase to use reasonable efforts to eliminate the cause or causes of its inability to purchase Ms. Barnard's shares as promptly as possible. Exhibit 1 at §3.14.

30. Qbase has not eliminated the cause or causes of its inability to purchase Ms. Barnard's shares as promptly as possible.

31. Nor has Qbase used reasonable efforts to eliminate the cause or causes of its inability to purchase Ms. Barnard's shares as promptly as possible.

32. On July 22, 2009, Ms. Barnard demanded that Qbase purchase all of her shares in the company. A copy of the demand letter is attached hereto as Exhibit 2.

33. The Fair Value per Share at which Qbase is obligated to purchase all 10,392 of Ms. Barnard's shares is at least \$36.79 per share.

34. At its shareholders meeting in April 2009, Qbase announced that the value of each of its shares as of December 31, 2008 was \$36.79.

COUNT I – BREACH OF CONTRACT

35. Ms. Barnard incorporates each of the preceding paragraphs as if fully rewritten herein.

36. Qbase has a contractual obligation to purchase all of Ms. Barnard's shares in the company.

37. Qbase is in breach of this contractual obligation.

38. Ms. Barnard has suffered financial harm as a result of Qbase's breach of its contractual obligations.

39. Qbase is liable to Ms. Barnard for breaching the Shareholders' Agreement.

WHEREFORE, Plaintiff prays as follows:

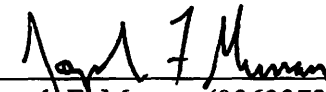
a. That this Court award Ms. Barnard compensatory damages in an amount to be determined at trial. Such an award shall include, but in no way be limited to, Ms. Barnard's loss of share value, dividends, shareholder distributions, interest, and costs, including reasonable attorney's fees;

b. That this Court award Ms. Barnard such equitable relief as is proper;

c. That this Court award Ms. Barnard reasonable attorney's fees and the costs of this action; and

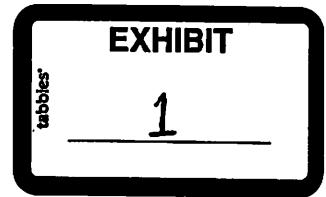
d. That this Court award Ms. Barnard such other and future relief as may be just and equitable.

Respectfully submitted,



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Counsel for Plaintiff Joanne R. Barnard



11-15-06

SHAREHOLDERS' AGREEMENT

AMONG

QBASE INC.

AND

THE SHAREHOLDERS OF THE COMPANY

November 21, 2006

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EXHIBITS

Designation	Description	Section Reference
A	Shareholders	Preamble B
B	Supplement to Shareholders' Agreement	7.1

SHAREHOLDERS' AGREEMENT

OF

QBASE INC.

THIS AGREEMENT is being executed as of the 21 day of November, 2006 (the "Effective Date"), by QBASE INC., an Ohio corporation (the "Company"), and the shareholders of the Company as listed on Exhibit A attached hereto (the "Shareholders") under the following circumstances:

A. Qbase Technologies LLC was formed as a limited liability company on September 2, 2005 under the name Qbase LLC ("Qbase LLC"). On November ____, 2006, all membership interests in Qbase LLC were assigned to the Company in exchange for Common Shares of the Company. As a result of such assignment, the persons who previously were members of Qbase LLC became shareholders of the Company, and the Company became the sole member in and sole owner of Qbase LLC. Subsequent to such assignment, Robert Mills and Samuel T. Morgan became shareholders of Qbase Inc.

B. The Shareholders listed on Exhibit A constitute all shareholders of Qbase Inc. as of the date of this Agreement.

C. The Company and the Shareholders are entering into this Agreement for the purposes of, among others, (i) setting forth their agreement with respect to certain matters relating to the governance of the Company, (ii) imposing certain restrictions upon transfer of shares of the Company, (iii) providing for the sale and purchase of such shares upon certain occurrences, and (iv) subjecting such shares to certain rights of sale and purchase upon certain occurrences.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1 DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Agreement, the capitalized terms set forth below shall have the following meanings whenever used in this Agreement:

"Acquisition Transaction" means (i) the merger or consolidation of the Company into or with another entity unless, immediately following such merger or consolidation, persons who are shareholders of the Company immediately prior to such merger or consolidation will own (as a result of such ownership of the Company) ownership interests entitling them to exercise, directly or indirectly, fifty percent (50%) or more of the voting power of the surviving entity; (ii) the sale by shareholders of the Company of Shares of the Company, in a single transaction or a series of related transactions, representing more than fifty percent (50%) of the voting power of the Company; or (iii) the sale of all or substantially all of the assets of the Company other than

such a sale to an entity fifty percent (50%) or more of the voting power of which is owned, immediately after such sale, by persons who own fifty percent (50%) or more of the voting power of the Company immediately prior to such sale; provided, however, that an Acquisition Transaction shall occur no earlier than the date of a "change in control" of the Company, within the meaning of Section 409A(a)(2)(A)(V) of the Code and Treasury Department guidance issued thereunder, if and to the extent such Section and guidance are applicable.

"Affiliated Company" means the Company, any subsidiary of the Company, or any other entity designated by the Board of Directors as an Affiliated Company.

"Agreement" means this Shareholders' Agreement, as originally executed and as amended from time to time.

"Applicable Interest Rate" means a rate per annum equal to the prime rate as then most recently reported in *The Wall Street Journal*. The interest rate shall be adjusted as of the first day of each calendar quarter to a rate per annum equal to the prime rate on such day, and the interest rate so determined shall remain in effect until the next adjustment. Interest shall be calculated on a year of 365/66 days.

"Assign" or "Assignment" means any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, whether voluntary or involuntary and whether absolute or as security or encumbrance (including any disposition by operation of law). As used herein, an "Assignment" shall be deemed to include a transfer by sale, assignment, merger, consolidation or other reorganization, mortgage, trust, operation of law, or otherwise of any shares, voting rights or ownership interests which will result in a change in the identity of the Person or Persons exercising, or who may exercise, voting control of a Shareholder.

"Board of Directors" means the Board of Directors of the Company.

"Cause" means each and any of the following: (i) intentional misconduct that materially adversely affects the Company; (ii) the commission or perpetration of any fraud against the Company or against any customer, supplier or other party having a relationship with the Company; (iii) conviction of a felony; (iv) knowingly causing or permitting the Company to violate any law, which violation has a material adverse effect on the Company; (v) the non-performance or breach of any material obligations under this Agreement, or in connection with the rendition of services on behalf of the Company (including, without limitation thereto, non-compliance with reasonable directives of the Board of Directors and superior officers), coupled with either (A) the failure to cure such non-performance or breach within five days after receipt by the individual of written notice of the same, or (B) the repetition of any such non-performance or breach after receipt of such notice; (vi) willful unauthorized disclosure of any material trade secret or material confidential information of the Company or of any Affiliated Company; or (vii) the commission of any wrongful, dishonest or immoral act if, as a consequence thereof, the continued association of the perpetrator with the Company would materially disadvantage the Company in its efforts to attract and retain customers.

"Closing" means a closing of any sale and purchase of Shares pursuant to Article 3.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Common Shares" means Common Shares without par value of the Company.

"Company" means Qbase Inc., a corporation formed under the laws of the State of Ohio, and any successor entity.

"Disability" means the inability to perform duties on behalf of the Company or an Affiliated Company on a full-time basis for a period of three months because of physical or mental illness or other physical or mental disability or incapacity, followed by the Company or the Affiliated Company (as the case may be) giving to the disabled individual written notice of its intention to terminate the individual's Service Relationship by reason thereof, and such individual's failure to resume the full-time performance of such individual's duties within 30 days after the giving of such notice and thereafter perform the same for a period of two consecutive months.

"Disposition" means any sale or other transfer (including a gift) of Shares, or any interest therein (including the granting or creation of any security interest or other encumbrance), whether voluntary or involuntary, to any Person.

"Employer" means the Company or other Affiliated Company with which an individual has a Service Relationship.

"Fair Value per Share" has the meaning indicated in Section 3.10.

"Family Member" means, with respect to any Shareholder, a spouse or child of the Shareholder or the spouse or child of any other Shareholder, or the trustee of a trust for any of such individuals.

"Founding Shareholders" means Charles Backus, Paul Kesaris, Janet Pardue, Willard W. Pardue, Jr., Calvin Barber, Scott Lightner and Franz Weckesser. "Founding Shareholder" also means Willard W. Pardue, Jr., in his capacity as Trustee of trusts for the benefit of his children.

"Investor Shareholders" means Shareholders (other than Janet Pardue) who do not have, at the time of becoming a Shareholder, a Service Relationship with the Company or an Affiliate.

"Key Staff Shareholders" means Jodi Barnard, David Judson, Evan Scott and Thomas Shoup and any other Shareholders (other than Founding Shareholders) who have, at the time of becoming a Shareholder, a Service Relationship with the Company or an Affiliated Company.

"Legal Representative" means the executor, administrator or other authorized representative of the estate of a deceased Shareholder. In the event Shares beneficially owned by a Shareholder are held in trust, and such trust continues following the death of the Shareholder, the term "Legal Representative" means the trustee of such trust.

"Percentage Interest" means, with respect to each Shareholder, that amount (expressed as a percentage) that results from dividing the number of Shares (determined on a Common Share equivalent basis) held by the Shareholder by the total number of Shares (also determined on a Common Share equivalent basis) then issued and outstanding.

"Permitted Disposition" means has the meaning indicated in Section 3.2.

"Person" shall mean an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

"Proceeding" shall mean any administrative, judicial, or other adversary proceeding, including, without limitation, litigation, arbitration, administrative adjudication, mediation, bankruptcy case or proceeding, and any appeal or review of any of the foregoing.

"Proportionate Share" has the meaning indicated in Section 3.13.

"Service Relationship" means any arrangement under which an individual regularly performs services at the request and on behalf of the Company or another Affiliated Company, whether as an employee, an independent contractor, or as a self-employed individual.

"Shareholder" means a holder of Shares.

"Shareholdings" means all Shares owned by any Person, whether now owned or hereafter acquired, and shall include all Shares beneficially owned by any Person, whether or not held of record by any other Person.

"Shares" means Shares of capital stock of any class of the Company including without limitation Common Shares without par value.

"Stipulated Terms of Payment" means, unless the purchaser shall elect to pay such amounts sooner (which prepayment may be made without premium or penalty), the following payment terms: 20% of the aggregate purchase price shall be payable at the Closing and the balance of the aggregate purchase price shall be payable in four equal annual installments, the first such installment being due on the anniversary date of the Closing and succeeding installments being due on the same day in each of the next three years. The unpaid balance of the aggregate purchase price shall bear interest, payable annually on the anniversary dates of the Closing, at the Applicable Interest Rate.

"Two-Thirds Majority of Shareholders" means, in the case of any vote, consent, authorization, approval or agreement of or action by the Shareholders, the affirmative vote, consent, authorization, approval or agreement of or action by Shareholders holding in the aggregate Shares which equal or exceed sixty-six percent and two-thirds percent ($66\frac{2}{3}\%$) of the total number of Shares then held by all Shareholders.

"Two-Thirds Majority of Remaining Shareholders" means, in the case of any vote, consent, authorization, approval or agreement of or action by the Shareholders, the affirmative vote, consent, authorization, approval or agreement of or action by Shareholders holding in the aggregate Shares which equal or exceed sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the total

number of Shares then held by all Shareholders other than (i) a Shareholder whose Shares are subject to purchase pursuant to Article 3, or (ii) a Shareholder seeking permission to transfer any Shares.

“Valuation Date” has the meaning indicated in Section 3.11.

ARTICLE 2 GOVERNANCE MATTERS

2.1 Board of Directors.

2.1.1 General. Except as otherwise provided below, directors of the Company will be elected in accordance with Ohio law and the Articles of Incorporation and Code of Regulations of the Company.

2.1.2 Designation of a Director by Mills and Morgan. Unless they otherwise agree, Mills and Morgan shall be entitled in combination to designate one member of the Board of Directors for so long as they or either of them owns not less than 5.0% of all issued and outstanding voting Shares or, if earlier, until such time as the Persons who (other than Mills and Morgan) are Shareholders as of the date of this Agreement cease to own, in combination, Shares entitling them to exercise a majority of the voting power of the Company; provided, however, that the designated individual must be acceptable to a majority of the other directors of the Company (such acceptance not to be unreasonably withheld). Subject to the foregoing, the Shareholders agree to vote their Shares for the election as a director of the individual designated by Mills and Morgan. Mills and Morgan in turn agree, with respect to the election of other directors of the Company, to vote their Shares for the election as directors of the individuals for whom a majority of the other Shares (that is, Shares held by Shareholders other than Mills and Morgan) are voted.

2.1.3 Designation of a Director by Turner Foundation. Unless it otherwise agrees, The Harry M. Turner Foundation (the “Turner Foundation”) shall be entitled to designate one member of the Board of Directors until December 31, 2014; provided, however, that the designated individual must be acceptable to a majority of the other directors of the Company (such acceptance not to be unreasonably withheld). Subject to the foregoing, the Shareholders agree to vote their Shares for the election as a director of the individual designated by the Turner Foundation.

2.2 Special Voting Requirements. Notwithstanding anything to the contrary in this Agreement, none of the following actions shall be taken by the Company except upon authorization by a Two-Thirds Majority of Shareholders.

- Any material change in the business conducted by the Company.
- Any issuance of Shares during any period of 12 consecutive months beginning after the date of this Agreement, if the effect of such issuance (in combination

with other issuances and redemptions of Shares during such 12 months) would be either (i) to increase the Percentage Interest of any existing or new Shareholder by more than 5.0 percentage points, or (ii) to give to any new Shareholder (including any Person, other than the parties to this Agreement, who shall have become a Shareholder during such 12-month period) a Percentage Interest exceeding 5.0.

- Any sale or other disposition of all or substantially all of the assets of the Company.
- Payment to any Shareholder, director or officer of total compensation for services in excess of \$250,000 with respect to calendar year 2007 or \$500,000 with respect to any calendar year thereafter.
- Any material transaction between, on the one hand, the Company or any Affiliated Company, and, on the other hand, any Shareholder, director or officer or any Person in which any Shareholder, director or officer has a direct or indirect material financial interest.
- The making by the Company of any loan to any Person (other than customary travel advances), or the guaranteeing by the Company of any obligation of any other Person.
- Any borrowing by the Company if the aggregate principal amount of all borrowings then outstanding would exceed \$1,000,000
- The establishment of any form of joint venture with any Person.

2.3 Transaction Approval. If a Two-Thirds Majority of Shareholders approves any transaction (a "Transaction") involving the sale or other change in control of the Company (whether a merger, sale of assets, sale of Shares, or otherwise), then each Shareholder shall, if so requested by the Board of Directors, (i) vote all of his or her Shares in favor of the Transaction, (ii) waive any dissenter's rights, appraisal rights or similar rights in connection with the Transaction, and (iii) if the Transaction is structured in whole or in part as a sale of Shares of the Company, sell his or her Shares on the same terms and conditions as other holders of Shares of the same class are selling their Shares in the Transaction. Each Shareholder shall also take such other actions as the Board of Directors may reasonably request in order to facilitate the Transaction.

2.4 No Right of Employment. No Shareholder shall have, as a result of being a Shareholder, any right to have or continue a Service Relationship with the Company or any Affiliated Company. No fiduciary obligation shall be owed to any Shareholder in connection with determinations relating to the creation, modification or termination of any Service Relationship.

**ARTICLE 3
DISPOSITION OF SHARES**

3.1 Restriction on Disposition. No Shareholder may make a Disposition of (or otherwise Assign) all or any part of such Shareholder's Shareholdings or any interest therein, except in compliance with all applicable provisions of this Article 3.

3.2 Certain Permitted Dispositions. Any Shareholder may make a Permitted Disposition. As used herein, "Permitted Disposition" means (i) a Disposition to the Company, (ii) a Disposition made with the consent of both the Board of Directors and a Two-Thirds Majority of Remaining Shareholders, (iii) a Disposition to a Family Member made with the consent of the Board of Directors, (iv) a Disposition to a revocable trust (of which the Shareholder is the trustee) for the exclusive benefit of the Shareholder and one or more Family Members of the Shareholder, subject, however, to the Shareholder providing to the Company, in advance of the Disposition, such assurances as the Company may reasonably request with regard to compliance with Article 5, (v) a Disposition made as part of a sale or other Disposition of all Shares of all Shareholders, and (vi) a Disposition (made in compliance with Article 5) upon the death of a Founding Shareholder or an Investor Shareholder, of the entire Shareholdings of such deceased Shareholder to one individual (but only one individual) who is such Shareholder's spouse, lineal descendant, a spouse of such Shareholder's lineal descendants, or a trust for the benefit of such Shareholder's spouse, lineal descendants and spouses of such Shareholder's lineal descendants. As a condition to any Permitted Disposition, the transferee must comply with Section 7.1.

3.3 Transfer of Shares Among Shareholders. Subject to the notice requirements set forth below, Shareholders may transfer Shares among themselves upon such terms as the transferor and transferee may agree. Not less than ten days prior to the consummation of the transfer, the transferor shall give written notice of the proposed transfer to the Board of Directors. Such notice shall include information with respect to the number of Shares to be transferred, the consideration to be paid or given by the transferee in connection with the transfer, and such other information as the Board of Directors may reasonably request.

3.4 Sale of Shares to Non-Shareholders; Right of First Refusal. (a) A Shareholder may sell Shares (in a transaction that is not a Permitted Disposition) to a Person who is not, immediately prior to the transfer, a Shareholder, subject to and conditioned upon compliance with the following and with Article 5 and Section 7.1.

(b) The Shareholder proposing to make the transfer (the "Transferor") shall give notice of the proposed transfer (the "Notice of Proposed Sale") to the Company, and the Company shall forward such Notice to all other Shareholders. The Notice of Proposed Sale shall set forth the number of Shares to be transferred, the price (on a per Share basis) and terms of payment, and any other terms to which the proposed transfer is subject (collectively, the "Terms of Sale").

(c) For a period of 45 days after receipt by the Company of the Notice of Proposed Sale, each Shareholder shall have the right to purchase, on the applicable Terms of Sale, all or any portion of his or her Proportionate Share of the offered Shares. In addition, the

Company shall have the right, upon authorization by a Two-Third Majority of Remaining Shareholders, to purchase, on the applicable Terms of Sale, all or any of the offered Shares that are not purchased pursuant to the preceding sentence. Such rights of purchase may be exercised by giving to the Transferor written notice of exercise on or before the close of business on the 45th day following receipt by the Company of the Notice of Proposed Sale (or if such 45th day is not a business day, on the first business day thereafter) (the "Final Exercise Date").

(d) The Closing of the sale and purchase of Shares pursuant to Section 3.4(c) shall take place at the principal offices of the Company on the 15th day after the Final Exercise Date (or if such 15th day is not a business day, on the first business day thereafter). The Closing shall take place at 10:00 a.m. at the principal office of the Company or at such other time and place as all parties to the transaction may agree.

(e) If all of the offered Shares are not purchased pursuant to paragraphs (c) and (d) above, the Transferor shall be free, for a period of 60 days after the Final Exercise Date, to sell any remaining offered Shares; provided, however, that (i) the transferee or transferees to whom the remaining Shares are to be transferred must be approved by the Management Committee, such approval not to be unreasonably withheld, (ii) the sale must comply with Section 3.15, Article 5 and Section 7.1, and (iii) the sale must be made on terms no less favorable to the Transferor than those stated in the Notice of Proposed (as determined on a per Share basis). If not made within that time, no sale of the remaining offered Shares may thereafter be made pursuant to this Section 3.4 except upon the giving of a new Notice of Proposed Sale and compliance anew with all the terms of this Section 3.4.

3.5 Repurchase of Shares of Key Staff Shareholders Upon Termination of Service Relationship. Should any Key Staff Shareholder for any reason at any time cease to maintain a Service Relationship with at least one Affiliated Company (and not continue to maintain a Service Relationship with, or contemporaneously establish a Service Relationship with, another Affiliated Company), such Shareholder (or his or her Legal Representative, as the case may be) shall sell to the Company, and the Company shall purchase, all Shares held (directly or in trust) by the Shareholder, such sale and purchase to be on and subject to the terms set forth in Section 3.9.

3.6 Optional Redemption Right of Founding Shareholders Upon Termination of Service Relationship. (a) Should any Founding Shareholder for any reason at any time cease to maintain a Service Relationship with at least one Affiliated Company (and not continue to maintain a Service Relationship with, or contemporaneously establish a Service Relationship with, another Affiliated Company), such Shareholder (or his or her Legal Representative, as the case may be) may, by written notice given to the Company within 90 days after termination of such Service Relationship (the "Redemption Notice"), require the Company to purchase all or any portion of the Shares held by the Shareholder, such sale and purchase to be on and subject to the terms set forth in Section 3.9.

(b) A Founding Shareholder who does not dispose of all of his Shares pursuant to this Section shall thereafter be, and shall have the rights of, an Investor Shareholder.

(c) For purposes of application of this Section, Janet Pardue, Willard W. Pardue, Jr. and Willard W. Pardue, Jr., Trustee, shall be considered a single person, and the optional right of redemption set forth in this Section shall be triggered as to each of them upon the termination of Willard W. Pardue, Jr.'s Service Relationship.

3.7 Optional Redemption Right of Founding Shareholders, Mr. Mills and Mr. Morgan in the Event of Death. (a) In the event of the death of any Founding Shareholder or Robert Mills or Samuel T. Morgan, such individual's Legal Representative may, by written notice given to the Company within 120 days after the date of such individual's death (the "Redemption Notice"), require the Company to purchase all or any portion of the Shares held by the deceased individual, such purchase to be on and subject to the terms set forth in Section 3.9.

(b) If all Shares of the deceased individual are not sold pursuant to this Section, the remaining Shares may pass pursuant to clause (v) of Section 3.2, and the transferee of such Shares shall thereafter be, and shall have the rights of, an Investor Shareholder.

(c) For purposes of application of this Section, Janet Pardue, Willard W. Pardue, Jr., and Willard W. Pardue, Jr., Trustee, shall be considered a single person, and the optional right of redemption set forth in this Section shall be triggered as to each of them upon (and only upon) the death of Willard W. Pardue, Jr.

(d) In the event that both Section 3.6 and this Section are applicable, this Section shall be controlling.

3.8 Optional Redemption Rights of Investor Shareholders. Each Investor Shareholder shall have the right, exercisable by written notice given to the Company within 30 days after any Optional Redemption Date applicable to such Shareholder (the "Redemption Notice"), to require the Company to purchase all or any portion of the Shares held by the Shareholder, such purchase to be on and subject to the terms set forth in Section 3.9.

3.9 Terms of Purchase. (a) The following terms shall be applicable to any purchase and sale of Shares to which this Section applies.

(b) Except as provided in Section 3.9(d) and (f), the purchase price of any Shares shall equal the Fair Value per Share as of the Valuation Date.

(c) Except as provided in Section 3.9(d) and (f), the purchase price shall be payable on the Stipulated Terms of Payment.

(d) Notwithstanding the foregoing provisions of this Section, if the termination of a Key Staff Shareholder's Service Relationship occurs within one year after the commencement of such Shareholder's initial Service Relationship, then (i) the purchase price of any Shares purchased from such Shareholder pursuant to this Section shall equal the lesser of (x) the Fair Value Per Share as of the Valuation Date or (y) the amount paid and/or payable for such Shares by such Shareholder, and (ii) the purchase price of the Shares shall be payable in full at the Closing.

(e) Except as provided in Section 3.9(f), the Closing of all sales and purchases pursuant to this Section shall take place at the principal office of the Company at 10:00 a.m. on the 45th day after termination of the selling Shareholder's Service Relationship in the case of Section 3.5 or on the 45th day after receipt by the Company of the Redemption Notice in the case of Section 3.6, 3.7 or 3.8 (or if such 45th day is not a business day, on the next succeeding business day), or at such other place, time and date as may be agreed by all parties to the transaction(s). In the event Fair Value per Share is determined by appraisal pursuant to Section 3.10, the Closing shall take place on the 20th day following receipt of the report of the appraiser (or if that is not a business day, on the next succeeding business day), or on such other date as may be agreed by the parties to the transactions.

(f) Notwithstanding the foregoing, a Two-Thirds Majority of Remaining Shareholders may elect to dissolve the Company in lieu of the purchase by the Company of Shares from a Shareholder pursuant to Section 3.5, 3.6, 3.7 or 3.8.

(g) The Company may, upon authorization by a Two-Thirds Majority of Remaining Shareholders, assign to any other Person all or any portion of the Company's right or obligation to purchase Shares pursuant to this Article. Such assignment shall not, however, relieve the Company of responsibility (which may be secondary to that of the new purchaser) for payment of the purchase price of the Shares.

3.10 Fair Value per Share. "Fair Value per Share" means the fair market value of a Share on the applicable Valuation Date as reduced, if applicable, by the amount of any distributions (determined on a per Share basis) made after the Valuation Date and before the Closing if and to the extent that such distributions represent a portion of the Fair Value per Share. Fair Value per Share shall be determined by agreement of the parties to the transaction or, if they are unable to agree, by appraisal. At the written request of any party to the transaction, Fair Value per Share shall be determined by appraisal. In the event a request for appraisal is properly made, the parties to the transaction shall select a mutually acceptable independent appraiser qualified to make the determination of Fair Value per Share. If the parties to the transaction are unable to agree upon an independent appraiser within 20 days, then, at the written request of either party, the appraiser shall be appointed by the individual then serving as Chairperson of the Business Valuation Committee of the American Institute of Certified Public Accountants. The appraiser so selected or appointed shall determine Fair Value per Share using the methodologies and analyses ordinarily and customarily applied in determining the fair value of interests of such type. Fair Value per Unit shall be determined by the appraiser taking into account, if applicable, discounts for minority interest and absence of marketability. In the event an appraisal is requested, it shall be commissioned and completed as expeditiously as possible. The cost of the appraisal shall be split equally between the Company and the seller.

3.11 Valuation Date. "Valuation Date" means (i) the calendar quarter-end coinciding with or last preceding the date of the Selling Shareholder's death or other termination of his/her Service Relationship in the case of a sale and purchase pursuant to Section 3.5, 3.6 or 3.7, or (ii) the December 31 coinciding with the date as of which the selling Shareholder's optional right of redemption arises pursuant to Section 3.8. Notwithstanding the foregoing, the Valuation Date may, for purposes of Sections 3.5, 3.6 or 3.7, at the option of the Shareholder or his or her Legal Representative, be deferred one year in the event that (i) termination of the Shareholder's Service

Relationship is by the Employer without Cause, or (iii) termination of the Shareholder's Service Relationship is the result of death or Disability. In such events, the Closing of the purchase and sale of such Shareholder's Shares, and the date by which an appraisal may be requested, shall likewise be deferred one year. Written notice of exercise of the deferral option shall be given to the Company not less than 30 days after termination of the Service Relationship, unless such termination is the result of death in which event notice of exercise of the deferral option shall be given by the deceased Shareholder's Legal Representative within 60 days after death.

3.12 Optional Redemption Date. Optional Redemption Dates shall be determined separately for each Investor Shareholder. Except as set forth below, the Optional Redemption Dates of each Investor Shareholder shall be (i) the December 31 of the fifth full calendar year after the Investor Shareholder becomes an Investor Shareholder, and (ii) the December 31 of each third calendar year thereafter. In the case of a Founding Shareholder who becomes an Investor Shareholder, the Optional Redemption Dates shall be (i) the December 31 of the third full calendar year after termination of the Founding Shareholder's Service Relationship (as described in Section 3.6), and (ii) the December 31 of each third full calendar year thereafter.

3.13 Proportionate Share. The term "Proportionate Share" shall mean that proportion which the number of Shares owned by each Shareholder who has the right to purchase Shares offered pursuant to Section 3.5 (such Shareholder being referred to herein as an "Optionee") bears to the total number of Shares then held by all such Optionees. In addition, if the Shares being offered are not purchased by the Optionees first entitled to purchase the same, the term "Proportionate Share" shall mean that portion of the remainder of such Shares which the number of Shares owned by each Optionee who both has the right to purchase and desires to purchase all or a portion of such remainder bears to the number of Shares owned by all Optionees who have both the right and the desire to purchase all or a portion of such remainder.

3.14 Legal and Other Limitations Applicable to the Purchase of Shares by the Company. (a) In the event the Company is unable to purchase all or any part of the Shares required to be purchased pursuant to this Article as a result of limitations imposed by law or as a result of limitations contained in a loan agreement between the Company and its primary lender, the Company shall purchase such number of Shares as it is then permitted to purchase and shall use reasonable efforts to eliminate the cause of such inability as promptly as possible. If the purchase of any such Shares by the Company is so delayed and then later completed, the per Share purchase price of any Shares purchased on a delayed basis shall equal their value as determined in accordance with Section 3.10 as of the calendar quarter-end preceding the Closing. If at any time the Company shall be obligated but unable to purchase Shares from more than one holder, the Company shall purchase such Shares as it becomes able to do so in the same chronological order as its obligation to purchase such Shares arose. In the case of obligations to purchase Shares from more than one holder which arose on the same date, the Company shall purchase such Shares on a pro rata basis. For purposes of the foregoing sentence, an obligation to purchase shares (the "Subsequent Obligation") which arises within 30 days after another obligation to purchase shares (the "Prior Obligation") shall be considered to have arisen on the same date as the Prior Obligation.

(b) The Closing of all sales and purchases pursuant to this Section 3.14 shall take place at the principal office of the Company at such time and date as may be

agreed upon by the Company and the Shareholder holding the Shares or his or her Legal Representative, as the case may be, or, failing such agreement, at such place, time and date as may be designated by the Company.

3.15 Securities Law Compliance. All transfers of Shares must be in compliance with applicable securities laws.

3.16 Right of Setoff. In the case of the purchase of Shares by the Company, the Company may offset against the purchase price any amounts owing by the selling Shareholder to the Company, including without limitation amounts (principal and interest) remaining unpaid in connection with the purchase of Shares from the Company. If the purchase price is payable pursuant to the installment terms provided in the Stipulated Terms of Payment, the offset amount shall be deducted from the purchase price, and the balance shall be payable in five installments in accordance with the Stipulated Terms of Payment.

3.17 Assignment in Violation of Agreement. Any attempted Disposition of Shares, or any interest therein, not in compliance with the provisions of this Agreement shall be null and void and shall confer no rights on the transferee as against the Company or the Shareholders.

ARTICLE 4 CO-DISPOSITION RIGHTS

4.1 Co-Disposition Rights. Subject to the limitations hereinafter set forth, in the event a Control Group (as defined below) proposes to make a Disposition of a Controlling Interest (as defined below) in the Company (a "Triggering Disposition"), a representative of the Control Group (the "Control Group Representative") shall give notice of the proposed Triggering Disposition (the "Notice of Disposition") to all Shareholders who are not members of the Control Group (the "Other Shareholders"). The Notice of Disposition shall describe the material terms of the Triggering Disposition in reasonable detail. Each Other Shareholder shall have the right, exercisable by written notice given to the Control Group Representative within 15 days after receipt of the Notice of Disposition, to elect to participate in such Disposition as follows. Each Other Shareholder shall have the right, to the extent of all or any portion of his or her Participation Amount (as defined below), to make a Disposition to the ultimate purchaser of the Controlling Interest at the time of the Closing of the Triggering Disposition and upon the same terms and conditions specified in the Notice of Disposition. The Shares to be sold by the Control Group shall be reduced by the amount of the Shares that the Other Shareholders elect to include in the Disposition within the limitation of the preceding sentence. Failure by any Other Shareholder to make such an election within 15 days after receipt of the Notice of Disposition shall be deemed a forfeiture and waiver of any right of such Other Shareholder to participate in the Triggering Disposition.

4.2 Control Group. As used in this Article 4, "Control Group" means a Shareholder or group of Shareholders, acting in concert, owning a Controlling Interest.

4.3 Controlling Interest. As used in this Article 4, "Controlling Interest" means Shares representing a majority of the voting power of the Company.

4.4 Participation Amount. As used in this Article 4, "Participation Amount" means, with respect to any Other Shareholder, that number of Shares that results from multiplying (i) the number of Shares proposed to be sold by the Control Group in the Triggering Disposition, times (ii) the Percentage Interest (expressed as a decimal) of the Other Shareholder, times (iii) that percentage (also expressed as a decimal) of the total number of Shares held by members of the Control Group that are proposed to be included in the Triggering Disposition.

ARTICLE 5 S CORPORATION

5.1 Each Shareholder acknowledges that the Company is or is intended to become an "S corporation" within the meaning of Section 1361 of the Code. Each Shareholder agrees to execute and deliver, and to file or cause to be filed, any necessary elections, consents or other documents required to make effective or continue the Company's S corporation election. Each Shareholder acknowledges that, under the Code, the income of an S corporation is included in the taxable income of the Shareholders of the corporation, and the Shareholders are required to pay income taxes on such income. While each Shareholder has been advised by the Company that it is the intention of the Company to distribute enough of its income to allow Shareholders to pay, out of such distribution, federal, state and local incomes taxes associated with the taxation of the Company's income to its Shareholders, each Shareholder acknowledges that the Company is not obligated to make such a distribution and that the Company has not promised or guaranteed that any such distribution will be made.

5.2 Notwithstanding anything else contained in this Shareholders' Agreement, until the Company's election to be an S corporation is duly revoked by the vote of a majority of the outstanding Shares of the Company, each Shareholder agrees not to make or permit any transfer or disposition of Shares which would cause the Company to cease to be treated as, or to cease to be qualified or eligible to be treated as, an S corporation under the Code. In the event of any breach of this Section by any Shareholder, that Shareholder shall reimburse the Company for all taxes, damages and expenses incurred by the Company as a result of such breach.

5.3 Any attempted or purposed transfer or acquisition of Shares, or of any option to purchase Shares, in violation of this Agreement shall be null and void. The purported transferee or assignee shall have no interest in any of the Shares or the option purported to be transferred or acquired, and the Company may continue for all purposes to treat the purported transferor as the owner and holder of the Shares or option.

5.4 If the Company's status as an S corporation is terminated inadvertently and the Company wishes to obtain a ruling under Section 1362(f) of the Code, each Shareholder agrees to make any adjustments required pursuant to Section 1362(f)(4) of the Code and approved by the Board of Directors. A Shareholder's obligation to make such adjustments shall continue after the Shareholder has ceased to own any Shares and after this Shareholders' Agreement has terminated.

ARTICLE 6 COMPETITION

6.1 Independent Activities. Except as provided in **Section 6.2**, each Shareholder may engage in whatever activities such Shareholder chooses, without having or incurring any obligation to offer any interest in such activities to the Company or any other Shareholder.

6.2 Competition with the Company. Each Shareholder agrees that, for so long as he or she is a Shareholder and for a period of one year thereafter, or, if earlier, until the dissolution of the Company, such Shareholder shall not, directly or indirectly, (i) engage in a Competitive Business (as hereinafter defined), (ii) have any interest in (whether as a proprietor, partner, stockholder, associate, or any type of principal or owner whatsoever) any Person which is engaged in a Competitive Business; or (iii) provide financial or other assistance or act as an agent of or advisor to any Person which is or is about to become engaged in a Competitive Business. As used herein, "**Competitive Business**" means the business of data aggregation and scoring and modeling to deliver identity solutions for database marketing, donor identification, health-care analytics, improper payment and fraud prevention and/or for granting access or entry to countries or other jurisdictions. Notwithstanding the foregoing, ownership, as a passive investment, of 2% or less of the outstanding capital stock of any publicly traded company shall not be considered a breach of the foregoing covenant.

6.3 Injunctive Relief. Each Shareholder agrees that its compliance with **Section 6.2** is necessary to protect the investment of each Shareholder and the business, goodwill and proprietary interests of the Company, and that a breach of **Section 6.2** will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. Each Shareholder agrees that in the event of any breach by such Shareholder of **Section 6.2**, the Company and each other Shareholder shall be entitled to injunctive relief, without the necessity of proof of actual damages and without any obligation to post a bond, reimbursement of all reasonable attorneys' fees and other expenses of litigation (including, without limitation, attorneys' fees incurred in connection with any appeal), and such other and further relief as may be proper. This provision shall not in any way diminish the right of the Company and other Shareholders to claim and recover damages in addition to injunctive relief.

6.4 Judicial Modification. If the scope of any restriction contained in this Article is too broad to permit enforcement of such restriction to its full extent, then such restriction shall be enforced to the maximum extent permitted by law, and each Shareholder consents and agrees that such scope may be judicially modified accordingly in any proceeding brought to enforce such restriction.

ARTICLE 7 GENERAL PROVISIONS

7.1 New Shareholders. Any Person (not then a party to this Agreement) who hereafter becomes a holder of Shares (whether beneficial or of record) shall be required, as a condition to the acquisition of such Shares, to execute and deliver a Supplement to this

Agreement (in the form of Exhibit B attached hereto) whereby such person agrees to be bound by the terms of this Agreement applicable to a holder of Shares as fully as if such person were a Shareholder on the date of this Agreement and a signatory to this Agreement.

7.2 Endorsement on Stock Certificates. All certificates representing any Shares shall have endorsed thereon substantially the following legend:

“The shares represented by this certificate are subject to the restrictions, rights of purchase, and other provisions contained in, and are transferable only upon compliance with the provisions of, the Shareholders' Agreement, dated as of November ____, 2006, among Qbase Inc. (the “Company”) and the shareholders of the Company, as from time to time thereafter amended. A copy of such Agreement is on file in the executive offices of the Company and will be supplied to the shareholder without charge within five days after receipt of a written request therefor.”

7.3 Entire Agreement. This Agreement constitutes the entire agreement among the Shareholders with respect to the subject matter hereof, and all other prior or contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. Each party to this Agreement acknowledges and agrees that no representations, inducements, promises, or agreements have been made, orally or otherwise, by any party, or anyone acting on behalf of any party, which are not expressly embodied herein

7.4 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Ohio, as applicable to agreements executed and wholly performed therein.

7.5 Severability. In the event any provision of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal, or unenforceable, such provision shall be severed from this Agreement, and the remaining provisions hereof shall remain in full force and effect, as fully as if such invalid, illegal or unenforceable provision had never been part of this Agreement.

7.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same Agreement.

7.7 Construction. Titles and headings of sections of this Agreement are for the convenience of reference only and shall not affect the construction of any provision of this Agreement. As used herein: (i) the singular shall include the plural (and vice versa) and the masculine or neuter gender shall include the feminine gender (and vice versa) where appropriate; (ii) locative adverbs such as “herein,” “hereto,” and “hereunder” shall refer to this Agreement in its entirety and not to any specific section or paragraph; and (iii) the terms “include,” “including”, and similar terms shall be construed as though followed immediately by the phrase

"but not limited to." The Shareholders have jointly participated in the negotiation and drafting of this Agreement, and this Agreement shall be construed fairly and equally as to the Shareholders, without regard to any rules of construction relating to the party who drafted a particular provision of this Agreement.

7.8 Specific Performance. The parties hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto by reason of the failure of any other party to comply with the terms of this Agreement. Therefore, if any action or proceeding shall be instituted to enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that there is an adequate remedy at law, and such person shall not urge in any such action or proceeding the claim or defense that such remedy at law exists. No bond shall be required as a condition to the issuance of any injunction to enforce the provisions of this Agreement. Such right to injunctive relief shall be in addition to, and not to the exclusion of, any other remedies (including monetary damages) to which the parties seeking enforcement may be entitled.

7.9 Notices. All notices, waivers and communications required or permitted to be given to or by the Company or any Shareholder pursuant to this Agreement shall be in writing and may be delivered in person, by telecopy by overnight delivery service, or by United States mail, addressed to the Company at its principal office (attention President) or to the Shareholder at such person's address as it appears on the records of the Company. Any notice or other document shall be effective upon receipt, and the sending party shall have the burden of proving receipt. Any party may change his or her address for service by giving written notice to the Company in the manner set forth above.

7.10 Successors and Assigns. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of the Shareholders, and to the extent permitted by this Agreement, their respective personal and legal representatives, successors and permitted assigns. Any Person acquiring or claiming an interest in the Company, in any manner whatsoever, shall be subject to and bound by all of the terms, conditions and obligations of this Agreement to which such Person's predecessor in interest was subject or bound, without regard to whether such Person has executed this Agreement or a counterpart hereof, or any other document contemplated hereby. No Person shall have any rights or obligations relating to the Company greater than those set forth in this Agreement, and no Person shall acquire any interest in the Company or become a Shareholder except as permitted by the express terms of this Agreement.

7.11 Rights of Creditors and Third Parties. This Agreement is entered into between the Shareholders for the exclusive benefit of the Company, its Shareholders, and their permitted successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person.

7.12 Additional Documents and Acts. Each Shareholder agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

7.13 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

7.14 Amendment. This Agreement may be amended by a written instrument executed by a Two-Thirds Majority of Shareholders; provided, however, that no amendment, unless adopted by the unanimous consent of all Shareholders, may create an obligation on the part of a Shareholder to contribute to the capital of the Company or to lend funds to the Company.

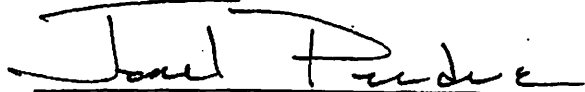
7.15 Waiver of Right to Jury Trial. The Company and all Shareholders voluntarily, irrevocably and unconditionally waive any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, fiduciary obligation or otherwise, between or among the parties or any of them arising out of, in connection with, related to, or incidental to the relationship established between or among any of such parties in connection with this Agreement or the management or conduct of the affairs of the Company.

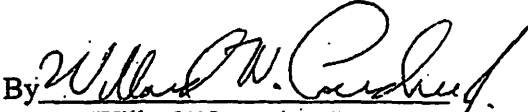
7.16 Execution and Delivery. A party's execution of this Agreement may be evidenced by, and a party's delivery of this Agreement may be effected by, facsimile or electronic transmission.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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


QBASE INC.


JANET PARDUE


By 
Willard W. Pardue, Jr.
President


WILLARD W. PARDUE, JR.


CHARLES BACKUS

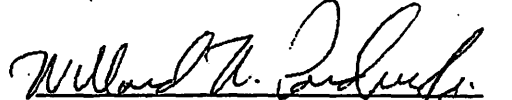

WILLARD W. PARDUE, JR., Trustee,
Laura E. Pardue Trust dated
October 26, 2006


CALVIN BARBER


WILLARD W. PARDUE, JR., Trustee,
David R. Pardue Trust dated
October 26, 2006


JOANNA BARNARD


DAVID JUDSON


WILLARD W. PARDUE, JR., Trustee,
Katherine O. Pardue Trust dated
October 26, 2006


PAUL KESARIS


EVAN SCOTT


SCOTT LIGHTNER


THOMAS SHOUP

ROBERT MILLS


FRANZ WECKESSER

SAMUEL T. MORGAN

(Signature page of Shareholders' Agreement)

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

QBASE INC.

JANET PARDUE

By _____
Willard W. Pardue, Jr.
President

WILLARD W. PARDUE, JR.

CHARLES BACKUS

WILLARD W. PARDUE, JR., Trustee,
Laura E. Pardue Trust dated
October 26, 2006

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WILLARD W. PARDUE, JR., Trustee,
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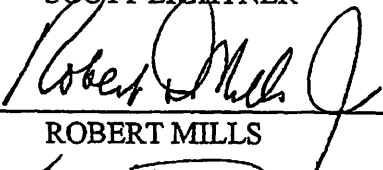
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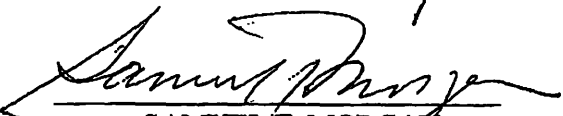
SCOTT LIGHTNER

THOMAS SHOUP



ROBERT MILLS

FRANZ WECKESSER



SAMUEL T. MORGAN

(Signature page of Shareholders' Agreement)

EXHIBIT A

SHAREHOLDERS

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage</u>
Charles Backus	734.5	4.999%
Calvin Barber	479.3	3.262%
Joanna Barnard	273.3	1.860%
David Judson	273.3	1.860%
Paul Kesaris	2094.4	14.255%
Scott Lightner	956.4	6.510%
Robert Mills	514.2	3.500%
Samuel T. Morgan	514.2	3.500%
Janet Pardue	3,288.3	22.381%
Willard W. Pardue, Jr.	3,288.3	22.381%
Willard W. Pardue, Jr., Trustee, Laura E. Pardue Trust dated October 26, 2006	377.4	2.569%
Willard W. Pardue, Jr., Trustee, David R. Pardue Trust dated October 26, 2006	377.4	2.569%
Willard W. Pardue, Jr., Trustee, Katherine O. Pardue Trust dated October 26, 2006	377.4	2.569%
Thomas Shoup	273.3	1.860%
Evan Scott	136.6	0.930%
Franz Weckesser	734.0	4.996%
Total	14,692.3	100.000



SUPPLEMENT TO SHAREHOLDERS' AGREEMENT

THIS SUPPLEMENT is being executed this ___ day of _____, 200_ under the following circumstances:

A. Qbase Inc. (the "Company") and the Shareholders of the Company entered into a Shareholders' Agreement (the "Shareholders' Agreement") dated as of _____, 2006. Among other things, the Shareholders' Agreement (i) sets forth the agreement of the parties with respect to certain matters relating to the governance of the Company, (ii) imposes certain restrictions upon the transfer of Shares of the Company, (iii) provides for the sale and purchase of such Shares upon certain circumstances, and (iv) subjects such Shares to certain rights of sale and purchase upon certain occurrences.

B. The undersigned desires to become a Shareholder of the Company.

C. As a condition to becoming a Shareholder of the Company, the undersigned is executing this Supplement.

NOW, THEREFORE, the undersigned agrees as follows:

1. Capitalized terms used in this Supplement have the meaning given them in the Shareholders' Agreement.

2. The undersigned has been furnished a copy of the Shareholders' Agreement and confirms that he/she is familiar with the terms of such Agreement.

3. The undersigned agrees to be bound by the terms of the Shareholders' Agreement applicable to a holder of Shares as fully as if the undersigned were a Shareholder on the date of the Shareholders' Agreement and were an original signatory to such Agreement.

4. The undersigned acknowledges that the Shares being acquired by the undersigned have not been registered under the Securities Act of 1933, as amended. The undersigned represents and warrants that such Shares are being acquired for investment and without a view to the distribution of the Shares. The undersigned further acknowledges that (in addition to the restrictions set forth in the Shareholders' Agreement) such Shares may not be sold or otherwise disposed of unless registered under such Act or unless such sale or other disposition is pursuant to an exemption from the registration provisions of such Act. The undersigned agrees to execute and deliver such additional documents and instruments, containing such additional representations, warranties and covenants, as the Board of Directors may deem necessary or advisable for purposes of complying with applicable securities laws.

IN WITNESS WHEREOF, the undersigned has executed this Supplement as of the day and year first written above.

452378.5

(Signature page for Supplement to Shareholders' Agreement)

JOANNE R. BARNARD
1440 Fielder Street
Ashland, OR 97520

July 22, 2009

Mr. Tom Shoup
President
Qbase
3610 Pentagon Boulevard
Dayton, OH 45431

Re: Purchase of Shares

Dear Mr. Shoup:

I write to demand that Qbase Inc. ("Qbase") purchase my shares in the Company in accordance with the Shareholders' Agreement Among Qbase Inc. and the Shareholders of the Company, dated November 21, 2006 ("Shareholders' Agreement"). On December 11, 2007, Qbase terminated my employment, triggering its obligation to repurchase my shares. The Company represented to me that it lacked sufficient capital to do so. Pursuant to Section 3.14 of the Shareholders' Agreement, Qbase was required to use reasonable efforts to eliminate the cause or causes of its inability to purchase my shares as promptly as possible. Qbase has now had 19 months to eliminate the cause or causes of its inability to purchase my shares. Accordingly, I hereby demand that Qbase purchase all of my shares in the Company.

Sincerely,


Joanne R. Barnard