

Enable IPC Corporation

---

**Issuer Information and Disclosure Statement**  
**August 2010**



Enable IPC Corporation ♦ 4005 Felland Road, Suite 107 ♦ Madison, WI 53718 USA  
Tel: (888) 391 1196 ♦ Fax: (888) 391 8413 ♦ [ir@enableipc.com](mailto:ir@enableipc.com) ♦ [www.enableipc.com](http://www.enableipc.com)  
Symbol: EIPC

## **FORWARD-LOOKING STATEMENTS**

*This report contains forward-looking statements including statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words “expects,” “anticipates,” “intends,” “believes” or similar language. These forward-looking statements involve risks, uncertainties and other factors. All forward-looking statements included in this annual report are based on information available to us on the date hereof and speak only as of the date hereof. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. The factors discussed above under “Risk Factors” and elsewhere in this annual report are among those factors that in some cases have affected our results and could cause the actual results to differ materially from those projected in the forward-looking statements.*

## **Table of Contents**

<b>Part A - General Company Information</b> .....	<b>4</b>
I: The exact name of the issuer and its predecessor (if any).....	4
II: The address of the issuer’s principal executive offices.....	4
III: The jurisdiction(s) and date of the issuer’s incorporation or organization. ....	4
<b>Part B - Share Structure</b> .....	<b>5</b>
IV: The exact title and class of securities outstanding.....	5
V: Par or stated value and description of the security. ....	5
VI: The number of shares or total amount of the securities outstanding for each class of securities authorized.....	5
<b>Part C - Business Information</b> .....	<b>6</b>
VII: The name and address of the transfer agent. ....	6
VIII: The nature of the issuer’s business. ....	6
IX: The nature of products or services offered. ....	8
X: The nature and extent of the issuer’s facilities.....	16
<b>Part D - Management Structure and Financial Information</b> .....	<b>17</b>
XI: The name of the chief executive officer, members of the board of directors, as well as control persons. ....	17
XII: Financial information for the issuer’s most recent fiscal period.....	22
XIII: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.....	54
XIV: Beneficial Owners. ....	91
XV: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure: .....	91
XVI: Management’s Discussion and Analysis or Plan of Operation. ....	92
<b>Part E - Issuance History</b> .....	<b>103</b>
XVII: List of securities offerings issued in the past two years.....	103
<b>Part F - Exhibits</b> .....	<b>106</b>
XVIII: Material Contracts.....	106
XIX: Articles of Incorporation and Bylaws.....	184
XX: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.....	199
XXI: Issuer’s Certifications .....	199

## **Part A - General Company Information**

**I: The exact name of the issuer and its predecessor (if any).**

Enable IPC Corporation

**II: The address of the issuer's principal executive offices.**

4005 Felland Road, Suite 107  
Madison, WI 53708

**III: The jurisdiction(s) and date of the issuer's incorporation or organization.**

The Company was incorporated in Delaware on March 17 2005

## Part B - Share Structure

### IV: The exact title and class of securities outstanding.

The Company has two classes of securities: Common stock (CUSIP 29247W101) and Preferred stock.

### V: Par or stated value and description of the security.

#### A. Par or Stated Value.

Common stock \$0.001; Preferred stock \$0.001

#### B. Common or Preferred Stock.

##### 1. For common equity, describe any dividend, voting and preemption rights.

Each common stockholder entitled to vote at any meeting of stockholders is entitled to one vote for each share of stock held by him or her who has voting power upon the matter in question.

##### 2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

None

##### 3. Describe any other material rights of common or preferred stockholders.

None

##### 4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

None

### VI: The number of shares or total amount of the securities outstanding for each class of securities authorized

Period ending:	Mar 31, 2008	Mar 31, 2009	Mar 31, 2010	Jun 30, 2010
<b>Common stock</b>				
Authorized	50,000,000	50,000,000	100,000,000	250,000,000
Outstanding	28,678,996	42,904,000	93,368,228	96,868,228
Free trading	6,576,395	26,299,120	32,185,402	32,185,402
Beneficial shareholders	64	76	134	134
Shareholders of record	65	91	178	178
<b>Preferred stock</b>				
Authorized	10,000,000	10,000,000	10,000,000	10,000,000
Outstanding	0	0	0	0
Free trading	0	0	0	0
Beneficial shareholders	0	0	0	0
Shareholders of record	0	0	0	0

## Part C - Business Information

### VII: The name and address of the transfer agent.

Interwest Transfer Company  
1981 Murray Holladay Road, Suite 100  
Salt Lake City, UT 84117  
Tel: (801) 272 9294  
Fax: (801) 277 3147

Interwest is a registered transfer agent under the exchange act.

### VIII: The nature of the issuer's business.

#### A. Business Development.

Enable IPC Corporation was incorporated as a C corporation in the State of Delaware on March 17, 2005. The Company was established to commercialize certain technologies (i.e., bring certain technologies from the research stage to the market).

The first of these technologies is a microbattery. The Company has a patent pending on this technology at the US Patent Office. The technology's inventor, Dr. Sung H. Choi, is a founding shareholder of the Company.

In December 2007, the Company acquired an exclusive license to an ultracapacitor technology from the University of Wisconsin. The license allows the Company to make or have made and sell products based on the technology, which has a patent pending at the US Patent Office.

In October 2008, the Company acquired a majority interest in SolRayo, LLC. This entity, based in Wisconsin, is performing activities related to the ultracapacitor technology sales and development. Also during October, SolRayo was awarded a \$250,000 grant from the State of Wisconsin's Energy Independence Fund (WEIF) for the purpose of developing and commercializing the Company's ultracapacitor technology.

As part of this effort, SolRayo personnel designed and built a potentiostat system, capable of measuring the performance characteristics of energy devices (e.g., batteries, ultracapacitors, fuel cells, solar cells, etc.) Based on this design, in January 2010, SolRayo began offering its potentiostat systems for sale to companies, universities and research institutions.

In March 2009, the Company completed delivery of its first contract to deliver ultracapacitor electrodes for use in a demonstration project funded by the government of Spain.

In August 2009, SolRayo converted from a Limited Liability Company to a Corporation. The ownership percentages were transferred to the corporation on a pro rata basis.

1. the form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);

"C" Corporation

2. the year that the issuer (or any predecessor) was organized;

2005

3. the issuer's fiscal year end date;

March 31

4. whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

No

5. any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

In October 2008, the Company acquired a controlling interest (50.01%) in SolRayo, LLC, then a Wisconsin Limited Liability Company and now a Corporation ("SolRayo"), in exchange for \$250,000 of in kind contributions with an aggregate value of \$250,000, pursuant to the terms and conditions of that certain \$250,000 clean energy grant received by SolRayo from WEIF.

6. any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

The Company has made arrangements to make monthly payments to the University of Idaho for fees owed to the University for the use of their facilities. As of June 30, 2010, the total amount owed was \$ 26,189.

The Company has made arrangements to make monthly payments to Hopkins & Carley for legal services previously performed for the Company. As of June 30, 2010, the total amount owed was \$ 92,275.

The Company has made arrangements to make monthly payments to Wonacott Communications for marketing services provided for the Company. As of the date of this document, the total amount owed was \$14,500.

7. any change of control;

No

8. any increase of 10% or more of the same class of outstanding equity securities;

Between March 31, 2008 and March 31, 2009, the Company's outstanding shares rose by (approximately) 60% as the Company sold equity to raise capital to fund operations. Between March 31, 2009 and March 31, 2010, the Company's outstanding shares rose by another (approximately) 115% as the Company sold equity to raise capital to fund operations.

9. any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

In October 2008 the Company announced its acquisition of SolRayo, then a Wisconsin Limited Liability Company and now a Corporation ("SolRayo"), in exchange for \$250,000 of in kind contributions with an aggregate value of \$250,000, pursuant to the terms and conditions of that certain \$250,000 clean energy grant received by SolRayo from the Wisconsin Energy Independence Fund.

10. any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and

The Company filed a Form 15 and voluntarily delisted from the Over-the-Counter Bulletin Board in January 2009.

11. any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

The Company has entered into payment arrangements with certain creditors as noted in item 6 above. There have been no current, past or pending trading suspensions by any securities regulator.

## **B. Business of Issuer.**

### 1. the issuer's primary and secondary SIC Codes;

Primary: 3675

Secondary: 3679, 3691, 3692, 8999

### 2. if the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

Development stage

### 3. whether the issuer is or has at any time been a "shell company";

The Company has never been a "shell" company.

### 4. the names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this annual report;

The Company has a majority ownership and control (50.01%) of SolRayo, LLC, a Wisconsin Limited Liability Company ("SolRayo"). SolRayo, which was founded by the very researchers that developed the Company's ultracapacitor technology, is developing that technology for commercial uses. Financial statements for SolRayo are consolidated with Enable IPC's in this report for the quarter ending June 30, 2010 and the fiscal years ending March 31, 2010 and 2009.

### 5. the effect of existing or probable governmental regulations on the business;

None

### 6. an estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

For the fiscal year ended March 31, 2009, we spent approximately \$445,900 on research and development. \$111,331 of this amount was borne by the state of Wisconsin through a grant from WEIF.

For the fiscal year ending March 31, 2010, we spent approximately \$249,342 on research and development. \$138,669 of this amount was borne by the state of Wisconsin through a grant from WEIF.

### 7. costs and effects of compliance with environmental laws (federal, state and local); and

None

### 8. the number of total employees and number of full-time employees.

The Company currently employs 6 people (1 at the Company and 5 at SolRayo) as well as a number of consultants. Of these, 5 are full-time.

## **IX: The nature of products or services offered.**

### **Principal products or services, and their markets**

#### Microbatteries

We believe our microbatteries can be used in the following applications:

*Hearing Aid Batteries.* Battery manufacturers frequently say that hearing aid batteries have become standardized across the industry. At first glance, that might appear not to be true, as

there are five basic sizes (#675, 312, 13, 10 and 5) that measure between 5.8 mm and 11.9 mm in diameter (approximately 1/4" to 1/2") and have varying thicknesses. However, all of these batteries provide 1.4V of power, and the industry has color coded the batteries to make it easier to identify the type the consumer needs. We believe that our technology will provide a device that provides the same power level as current batteries, but would be permanently installed in the device and would take up considerably less space. The battery could be quickly recharged rather than replaced, thus saving the consumer the cost and inconvenience of purchasing and storing new batteries.

*Radio (RFID) Tags.* A radio frequency identification tag (also known as an RFID tag or radio tag) is a tiny device that can contain digitally encoded information coupled with antennae that allow the transmission and receipt of radio signals. The devices usually have an adhesive on the back and are used primarily for tracking, but also for inventory control, data transmittal, and security, among others.

There are three primary types of RFID tags: passive (i.e., tags which do not contain an additional power source), battery-assisted passive (BAP) tags (i.e., tags which contain a power source that is "turned on" by an outside source) and active tags (i.e., tags which continually emit a signal enhanced by a power source).

Some of these specific uses include:

- Aerospace
- Agriculture
- Animal/pet tracking
- Automotive anti-theft systems
- Baggage tracking
- Building access
- Clothing/footwear
- Healthcare/medical
- Libraries
- Mining
- Oil and gas
- Pallets
- Pharmaceutical
- Race timing
- Retail stores
- Sensors
- Supply chains
- Tollbooths (for example, FasTrack, EZ Pass and other systems)
- Transportation
- and more

Retailers such as WalMart have recently begun using RFID tags to simplify inventory control and save costs. Despite privacy concerns, the RFID market is growing as the size of the RFID devices shrink. RFID batteries allow the devices to be read from greater distances and allow the devices to be rewritten and modified. The keys to using batteries in RFID tags depend on cost and size – both of which are addressed by our technology.

*Smart Cards.* "Smart" cards are credit card-like devices that have a chip built into the card that holds digitally-encoded information rather than a magnetic strip on the back. There are a number of uses for smart cards, including identification, banking information, mass transit

payments and tracking accumulated points for purchases. Smart cards are more popular in Europe and the Pacific Rim than in the United States. An independent analyst estimated that “by the beginning of 2010, over 6 billion smart cards will be in use worldwide and around 3.4 billion will be sold each year.” (“The Worldwide Market for Smart Cards and Semiconductors in Smart Cards,” Executive Summary, IMS Research Group, May 2006). The idea of a single card that allows for identification, banking and other transactions is very attractive to a number of people and institutions.

With a battery, both the number of things that can be done with a smart card and the security enhancements available would be significantly increased. For example, the use of a battery would permit real-time updated bank transactions including active balances, biometric information (fingerprints, voice recognition, retinal identification, facial recognition, etc.), transportation ticketing and identification and many other enhancements. A number of companies are advocating the use of smart cards that are upgraded with power technologies. The largest barriers to powered smart cards – battery size and cost – can be addressed by our device.

*MEMS/NEMs.* Micro-electrical-mechanical and nano-electrical-mechanical systems are complete systems-on-a-chip. We believe that they hold great promise for a number of applications, including integrated circuit and micro-device fabrication. These systems must be powered, and we believe that a micro-battery such as ours could be an ideal power source.

*Military Identification.* We believe that embedding micro-devices into dog tags worn by military personnel, containing tracking, medical and other information, could save lives in battlefields. Using micro-batteries to provide power to these devices could significantly expand their capability.

*Automotive Remotes.* The remote control device that sends signals to lock and unlock car doors and turn alarms on and off requires a small battery, which could possibly be recharged while the car is in operation.

*Sensors.* Remotely placed sensors require reliable batter power rather than hard wired power. Coupled with a ratio tag, sensors can eliminate the need for long, difficult and costly wiring.

*Chip Memory Backup.* Real time memory backup is commonplace in most computers, cell phones, PDAs and other electronic devices. However, these require low power batteries to maintain the data when the device is turned off. We believe that our batteries will be ideal for this application.

*Other Possible Applications.* Other possible applications for our batteries include:

- Micro/nano satellites
- Miniature transmitters
- M2M communications
- Neurological stimulators
- “Smart” active labels
- Sneaker lights

Third party market research reports tend to peg the overall disposable thin film battery market at \$1.5 billion in 2009, growing to over \$3.1 billion by 2012 (source: Micro Power Sources: Opportunities from Fuel Cells and Batteries for Mobile Applications, NanoMarkets, LC).

#### Ultracapacitors

There are a number of market areas where ultracapacitors are, or could be used including renewable energy, consumer electronics, industrial applications and transportation.

## *Grid Energy and Renewables -- Energy Storage for Smart Grid and Power Quality Applications*

The hype about batteries, ultracapacitors and their use in a wide range of energy markets seems to be intensifying of late. A variety of recent articles and reports have discussed this, as did our webinar last January and third-party market research reports from companies like Frost and Sullivan, the Icon Group, iRAP and many others.

The Smart Grid is even smarter with energy storage. Power quality in the digital age is more important than ever. These, along with hybrid and electric transportation, are needed to reduce our dependence on imported oil from unstable parts of the world. All of these applications will benefit from more efficient and cost effective energy storage.

According to most reports we have seen, the most common form of energy storage for power transmission consists of banks of lead acid batteries, which are used mostly because they are the least expensive technology available today. Other technologies in use and on the horizon include vanadium reflux flow batteries, sodium sulfur batteries, large lithium ion batteries, flywheels, pumped hydro, compressed air and ultracapacitors.

Each have their advantages and disadvantages, but the bottom line is that the lion's share of the grid energy storage market will go to the technologies that are the most efficient and have the lowest total capital costs and highest reliability.

Enable IPC and SolRayo are betting that our improved ultracapacitor technology will be prominently in the mix, especially in high value applications that demand high power for relatively short periods of time. This is an area where ultracapacitors can really shine.

Ultracapacitors offer many advantageous attributes including: rapid response time, low maintenance, operating lifetimes in excess of one million cycles, broad operating temperature range (-40 °C to 60 °C), high cycle efficiency (well in excess of 90%), environmentally friendly construction, and up to ten times the power density of batteries.

However, there are two main factors preventing large-scale transformational use of ultracapacitors: cost and energy storage density.

**We expect our technology to significantly improve the energy storage density of ultracapacitors as well as reduce the overall production costs by using custom nano-engineered surface finishes to improve performance while lowering production costs.** This should make ultracapacitors feasible in a wide variety of advanced energy storage applications.

### *The Opportunity: Description of the Opportunity, Size of the Market and Needs*

In the past couple years or so, we have found several third party market research reports that have published figures on the total, global market for ultracapacitors that range from as low as \$113 million to as high as \$2 billion in 2008. The one constant among the reports, however, is the anticipated growth rate of the industry as improvements make the devices more attractive for additional applications.

The compound annual growth rate (CAGR) for ultracapacitors, based on these reports, will be between 15% and 20% annually for the next five years or so. Some reports expect a CAGR as high as 30%

One of the areas in which growth is expected is in renewable energy storage. Market research reports seem to vary significantly, however, one recent report suggested that the market for batteries and ultracapacitors, specifically addressing grid storage applications, could reach \$8.3 billion by 2016.

The key to market acceptance for ultracapacitors is in improving the energy storage and lowering the costs – both of which can be done using our technology.

#### *Consumer electronics*

Applications in the consumer electronics area include VCRs, CD players, electronic toys, security systems, computers, scanners, smoke detectors, microwaves, coffee makers, power tools and memory backup. Several companies are targeting future applications, including laptop and desktop computers (awakening from sleep mode) and cell phones with added features could require the use of ultracapacitors.

#### *Industrial*

Applications in this area include power supplies, industrial automation equipment, power transmission and distribution (including renewable energy applications, such as wind turbines and solar).

#### *Transportation*

Applications in transportation include hybrid automobiles, aircraft door actuators and rail systems.

Third party market research reports for ultracapacitors vary widely, Our research confirms one third party's research report that estimates the market at approximately \$338.r million worldwide in 2009, growing to \$599.5 million by 2012 (source: World Ultracapacitor Markets, Frost & Sullivan).

#### *Potentiostat Systems*

The Company is aware of about a dozen competitors in the potentiostat market. A potentiostat is a piece of equipment used in a wide range of electrochemistry applications. Today, the term potentiostat is often used in reference to equipment that performs the functions of a potentiostat, galvanostat, and sometimes an impedance analyzer as well.

- A potentiostat is used to apply voltage to a system and measure the current
- A galvanostat supplies current and measures the voltage
- An impedance analyzer applies a high frequency wave and measures the shift between current and voltage to determine impedance (resistance).

The systems are used to test batteries, capacitors, fuel cells, solar devices and sensors, as well as characterize corrosion levels and electroplating. For example, when testing a capacitor with the Company's new system, the researcher can simply connect the capacitor to the potentiostat and type in the parameters of the test the charge/discharge parameters, the number of cycles, the length of time to discharge, the interval between charges and discharges, etc. The researcher can then do other things while the system conducts the test and records all the data. Multiple

devices can be tested at the same time, depending on the number of channels on the system. One unique feature on Enable IPCs devices is that the researcher can be notified when the test has begun, is complete or if a problem has arisen.

Enable's systems will have accuracy and resolution ranges comparable to those produced by competitors, with options to include electrochemical impedance spectroscopy (or EIS) and low current alternatives.

The Company's systems each range in price from about \$10,000 for a basic unit to approximately \$90,000 for the top of the line model. The Company has priced its units to compete favorably with commercially-available systems.

These systems are essential in energy storage device research, characterization and other applications. The Company expects to be a part of a significant increase in global demand for potentiostat systems.

The Company has developed more user-friendly models than those currently available by including additional features it has found useful in its own experience with the systems

#### **Distribution methods of the products or services**

##### Microbatteries

It is our intent to demonstrate and sublicense this technology, initially to "smart" card manufacturers, which is where we feel our initial application will be. Our process is CMOS compatible, meaning that it can be ported into a semiconductor foundry and, therefore, can significantly lower the cost of the power source for a "smart" card application.

##### Ultracapacitors

Ultimately, it is our intent to sublicense our process, which improves the performance of existing ultracapacitors and lowers the cost per power unit, to ultracapacitor electrode manufacturers. To attain that goal, we have made a number of electrodes and tested other existing materials belonging to interested companies.

##### Potentiostat Systems

We expect to align ourselves with a distributor in the field with established entry paths to help us market and sell these systems. With this in mind, at this writing we are in talks with two existing companies about distribution and partnerships. National Instruments, which supplies key components of the potentiostat system, has a vested interest in seeing large sales of these units and has educated their sales engineering staff about the systems through their website, webinars and other means.

#### **Status of any publicly announced new product or service;**

N/A

#### **Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;**

##### Microbatteries

There are a number of competitors in the microbattery space. Some of the major players include:

Cymbet Corporation – very recently (May and June 2009) announced major distribution deals with DigiKey and Mouser, two of the largest electronics distributors in the world

Excellatron, Inc. – has a pilot production line that will enable it to produce 100,000 cells per month

Front Edge Technology, Inc. –has a product known as “NanoEnergy”; designed production line for 200,000 pieces annually

Infinite Power Solutions – recently (June 2009) announced its “Thinergy” family of products

Oak Ridge Micro-Energy, Inc. – focused on marketing / licensing their technology

mPhase – recently announced “AlwaysReady” Smart Nanobattery is “coming soon”.

Solicore – their “Flexion” product line is aimed at “smart” card and other applications

The Company does not have a product for sale at this time; it is working on a specific “smart” credit card application wherein the card contains a microchip and a display (the purpose behind this credit card is to help prevent certain forms of identity theft). The Company’s microbattery would power the chip and the display.

The Company has been on contact with a number of “smart” credit card companies. If the Company is successful in meeting the economic and performance specifications, it anticipates that it could sublicense its technology to one or more of those companies.

### Ultracapacitors

This is an industry with several well-established players, including the largest ultracapacitor company, Maxwell Technologies, in San Diego. The most secretive and talked-about company in the industry is probably EESstor.

Maxwell is focusing much of its effort in transportation and renewable energy, which are the growth areas of the ultracapacitor markets. They have a number of well-established product lines covering each market sector.

EESstor is known as a “secretive” company that has claimed to be able to meet performance specifications that, if true, would be a major leap forward in ultracapacitor technology. They have attracted some high-profile investors, have a deal to provide their products to ZENN motors for their electric vehicle (ZENN invested at least \$3 million into the company) as well as a distribution arrangement with Lockheed Martin for military and homeland security applications, although Lockheed Martin apparently invested nothing.

The Company has an exclusive license to a technology that has been shown to significantly improve ultracapacitor electrodes in terms of performance and cost per unit of capacitance. The Company received a grant from the state of Wisconsin to develop this technology for renewable energy applications, has delivered improved electrodes to a Madrid, Spain-based organization called IMDEA Energia for a demonstration project and has received a grant to explore the viability of the technology in applying it to battery components. At the end of the development cycle, the Company plans to license the technology to other ultracapacitor companies and/or become a provider of ultracapacitor electrodes to ultracapacitor OEMs.

### Potentiostats

The potentiostat market is a mature, established niche with several long-standing players. Potentiostats primarily measure the performance of energy storage devices. The Company’s research suggests there are essentially three types of these systems on the market: (1) low cost, low functionality systems, (2) mid range systems and (3) high end systems. The Company’s

system is considered a mid range system. As such, it primarily competes with five companies, which are listed below. We have priced our systems competitively with these:

BioLogic, founded in 1983 and based in France

Gamry Instruments, based in Philadelphia

Metrohm/Autolab/EcoChemie, based in the Netherlands

Princeton Applied Research, which is a part of Ametek and based in Oak Ridge, Tennessee

Solartron Analytical, also part of Ametek and based in the United Kingdom

**Sources and availability of raw materials and the names of principal suppliers;**

Microbattery

The product is still in development. Materials are common and available from a number of suppliers.

Ultracapacitors

Materials for the ultracapacitor components are common and available from a number of suppliers.

Potentiostats

Materials are readily available. Our key suppliers include Gardan, ITEC and National Instruments.

**Dependence on one or a few major customers;**

The microbattery is certainly dependent on the success of the “smart” credit card technology. If the “smart” credit card does not come to fruition or the microbattery product cannot meet the specifications when finally packaged, other potential applications include RFID tag enhancement, remote sensors, MEMs/NEMs and many others.

The ultracapacitor is dependent on the acceptance of the improvement into a manufacturer’s product line. There are certainly a limited number of ultracapacitor companies.

**Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and the need for any government approval of principal products or services and the status of any requested government approvals.**

The microbattery process is covered under a patent application filed in March 2005 (# 20050216603) which was assigned to Enable IPC for the life of the patent. This was done in exchange for an initial fee of \$100,000, which has been fully paid, and royalties of 7.5% on net product sales

The ultracapacitor technology is covered under a patent application (# 20090154060) filed by the University of Wisconsin’s licensing arm, the Wisconsin Alumni Research Foundation (WARF) in 2007. In December 2007, we entered into an agreement in which WARF licensed to us the exclusive right to develop, make, use, sublicense and sell products relating to nanoparticle-based ultracapacitor patents and patent applications (the “Licensed Patents”) throughout the United States and, under certain conditions, certain foreign territories as may be later specified. Under the License Agreement, we are obligated to develop and market the Licensed Patents during the term of the License Agreement.

WARF retains the right to grant to non-profit and governmental institutions non-exclusive licenses to use the Licensed Patents for non-commercial purposes.

As consideration for the license, we agreed to pay WARF an initial license fee of \$50,000. In addition, we have agreed to pay royalties for products sold with a guaranteed minimum amount of royalties to be paid beginning in 2010. Finally, we have agreed to reimburse WARF for costs incurred in filing, prosecuting and maintaining the Licensed Patents.

The License Agreement will continue in force until the earlier of (i) the Licensed Patents becoming unenforceable or (ii) certain royalties, once begun, have ceased being paid for more than eight calendar quarters.

**X: The nature and extent of the issuer’s facilities.**

On November 26, 2008, the Company’s subsidiary, SolRayo, entered into a lease agreement with St. John’s Properties, Inc. (“Landlord”) for the leasing of approximately 1,500 square feet of industrial and office space located at 4005 Felland Road, Suite 107, Madison, Wisconsin. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

A summary of fixed assets as of June 30, 2010 are as follows:

Office and lab equipment	\$ 67,709
Office furniture	5,927
Leasehold improvements	<u>2,610</u>
	80,388
Less: accumulated depreciation	<u>(27,747)</u>
	<u>\$ 52,641</u>

These assets include a potentiostat system, fume hood, water treatment system, glove box, acid cabinet, scales and other equipment.

A summary of intangible assets as of June 30, 2010 is as follows:

Microbattery patent	\$ 593,857
Ultracapacitor patent license	<u>233,153</u>
Less: accumulated amortization	<u>(160,270)</u>
	<u>\$ 666,740</u>

The microbattery patent value of \$593,857 consists of 2,000,000 shares of the Company’s stock of \$0.001 par value totaling \$10,000 plus an amendment to the Technology and Patent Assignment agreement (which replaced a minimum annual royalty arrangement) in exchange for all rights to the patent. The ultracapacitor patent license consists of the present value of minimum annual royalty payments totaling \$170,956, \$50,000 in initial license fees and \$12,197 in patent costs.

## Part D - Management Structure and Financial Information

**XI: The name of the chief executive officer, members of the board of directors, as well as control persons.**

### A. Officers and Directors

<b>Full Name</b>	<b>David A. Walker Chief Executive Officer, Acting Chief Financial Officer and Chairman, Board of Directors</b>
Business Address	4005 Felland Road, Suite 107, Madison, WI 53718
Employment History	<b>2005 – Present: CEO, Enable IPC Corp.</b> Responsible for the executive management and operations of the Company  <b>2000 – 2005: Independent Consultant</b> Consultant to the executives of several small companies including Nano Solutions, Inc., Durham Marketing, Optronic Solutions Technology and others.  <b>1994 – 2000: COO, DCH Technology, Inc.</b> Co-founder of the Amex-listed hydrogen sensor and fuel cell company. Had responsibility for all day-to-day operations of the Company.
Board Memberships / Affiliations	2001 –2007: Board of Visitors, California Baptist University 2005 – Present: Chairman, Board of Directors, Enable IPC Corporation
Compensation	\$150,000 annually
Beneficial Ownership	5,925,000 Common shares (6%)

<b>Full Name</b>	<b>Mark A. Daugherty, Ph.D. Chief Technology Officer and Member, Board of Directors</b>
Business Address	4005 Felland Road, Suite 107, Madison, WI 53718
Employment History	<b>2005 – Present: CTO, Enable IPC Corp.</b> Responsible for the evaluation and management of all aspects of technology development at the company, Oversees all R&D operations as well as the technical and operations of the Company

**2003 – 2008: Independent Consultant**  
Consultant to the Wisconsin Focus on Energy program and MSB Energy Associates.

**2002 – 2003: CEO, Virent Energy Systems**  
Responsible for the executive management and operations of the Company

**1998 – 2002: VP and General Manager, DCH Technology, Inc. Fuel Cell Operations**  
Oversaw all activities at the Company's Wisconsin facility.

Board Memberships / Affiliations      2005 – Present: Member, Board of Directors, Enable IPC Corporation  
  
2008 – Present: Board of Directors, SolRayo, Inc.

Compensation      \$75 per hour

Beneficial Ownership      1,237,700 Common shares (1%)

**Full Name**      **Cathryn S. Gawne**  
**Member, Board of Directors**

Business Address      4005 Felland Road, Suite 107, Madison, WI 53718

Employment History      **2007 – Present: Of Counsel, Hopkins & Carley**  
Securities and corporate attorney for emerging growth companies across a broad range of industries

**1999 – 2007: Shareholder and Co-Chair, Corporate & Securities Group, Silicon Valley Law Group**  
Securities and corporate attorney for a number of companies

Board Memberships / Affiliations      Board member, Association for Corporate Growth, Silicon Valley Chapter

Member of the Executive Team of the San Jose Professional Women's Leads Club

Member, Executive Committee of the Business Law Section of the Santa Clara County Bar

	Member of the advisory board of Semotus Solutions (a publicly traded wireless solutions company)
	Member of the Dean's Advisory Board of Notre Dame de Namur University in Belmont, California,
	Director of the Women in Technology Foundation
	Director of the Center for Healthy Development
	Director, Dean's Automotive, Inc
Compensation	\$500 per meeting
Beneficial Ownership	0 Common shares (0%)

**Full Name**

**Jin Suk (Samuel) Kim  
Member, Board of Directors**

Business Address

4005 Felland Road, Suite 107, Madison, WI 53718

Employment History

**2004 – Present: Vice President, G Ju Hwa Bohemia**  
Responsible for overseeing all aspects of marketing and sales of the organization, which manufactures beads for use in hobbies and costume jewelry.

**2002 – 2004: VP Operations, Nano Solutions, Inc.**  
Responsible for overseeing all operations of the Company, which was a small start-up focusing on nanotechnology commercialization.

**1998 – 2002; Director, MIS and Accounting CBOL Corporation**  
Oversaw all management information systems and accounting activities for CBOL, an import/export company.

Board Memberships / Affiliations

Board member, Enable IPC Corporation

Compensation

\$500 per meeting

Beneficial Ownership

2,400,954 Common shares (3%)

<b>Full Name</b>	<b>Timothy A. Lambirth Member, Board of Directors</b>
Business Address	4005 Felland Road, Suite 107, Madison, WI 53718
Employment History	<b>2004 – Present: Attorney, Lambirthmediation.com</b> Serves as a dispute mediator
	<b>2006 – Present: Partner, Marcin Lambirth LLP</b> Attorney focusing on representation of financial institutions, businesses and individuals in commercial disputes
	<b>1982 – 2004: Partner, Ivanjack, Lambirth</b> Partner at prestigious law firm representing financial institutions
Board Memberships / Affiliations	Board member, Enable IPC Corporation  Board of Directors, SolRayo, Inc.  Whittier College Board of Trustees
Compensation	\$500 per meeting
Beneficial Ownership	2,386,310 Common shares (3%)

<b>Full Name</b>	<b>Daniel Teran Member, Board of Directors</b>
Business Address	4005 Felland Road, Suite 107, Madison, WI 53718
Employment History	<b>1989 – Present: CPA</b> Independent CPA serving individuals and businesses in accounting, systems design and setup and taxation.
Board Memberships / Affiliations	Board member, Enable IPC Corporation  Board of Directors, SolRayo, Inc.  American Institute of Certified Public Accountants  California Society of Certified Public Accountants
Compensation	\$500 per meeting

Beneficial Ownership	1,941,171 Common shares (2%)
<b>Full Name</b>	<b>Philip Verges Member, Board of Directors</b>
Business Address	4005 Felland Road, Suite 107, Madison, WI 53718
Employment History	<b>2002 – Present: Chairman, NewMarket Technology</b> Oversees all aspects of this voice over Internet protocol telephony, systems integration, homeland security, and wireless broadband technology solutions company  <b>1997 – 2002: CEO, VergeTech</b> Forerunner of NewMarket Technology; oversaw all aspects of this voice over Internet protocol technology company. Merged it with another firm in 2002 to begin NewMarket.
Board Memberships / Affiliations	Board member: Enable IPC Corporation  Board member: NewMarket Technology, Inc.
Compensation	\$500 per meeting
Beneficial Ownership	300,000 Common shares (<1%)

## **B. Legal/Disciplinary History**

1. conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

*C. Disclosure of Family Relationships. Describe any family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of the any class of the issuer's equity securities.*

None

*D. Disclosure of Related Party Transactions. Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:*

None

*E. Disclosure of Conflicts of Interest. Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.*

None

**XII: Financial information for the issuer's most recent fiscal period.**

**Enable IPC Corporation and SolRayo, Inc.  
Consolidated and Condensed Financial Statements  
and Notes to Financial Statements  
for the Quarter Ended  
June 30, 2010  
Unaudited**

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED AND CONDENSED BALANCE SHEET  
Unaudited

ASSETS

	<u>June 30, 2010</u>	<u>March 31, 2010</u>
Current assets		
Cash	\$ 5,995	\$ 6,808
Prepaid expenses due within 12 months	105	4,105
Total current assets	<u>6,100</u>	<u>10,913</u>
Fixed assets, net	49,659	52,641
Other assets		
Other prepaid expenses	1,500	1,500
Intangible assets, net	658,581	666,740
	<u>660,081</u>	<u>668,240</u>
Total assets	<u>\$ 715,840</u>	<u>\$ 731,794</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities		
Accounts payable	\$ 165,605	\$ 169,527
Accrued expenses and other current liabilities	183,708	187,408
Other liability	20,000	20,000
Due to stockholders	493,124	504,207
Total current liabilities	<u>862,437</u>	<u>881,142</u>
Long-term liabilities		
Present value of minimum royalty payments	216,044	211,723
Total long-term liabilities	<u>216,044</u>	<u>211,723</u>
Total liabilities	1,078,481	1,092,865
Commitments and contingencies	-	-
Stockholders' deficit		
Minority interest in SolRayo	430,181	345,571
Preferred stock; no par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock; \$0.001 par value; 50,000,000 shares authorized, 96,618,228 shares issued and outstanding	96,618	93,368
Additional paid-in capital	2,930,445	2,916,195
Additional paid-in capital -- warrants	88,000	88,000
Prepaid services in common stock	(10,000)	(16,000)
Accumulated deficit	(3,897,885)	(3,788,205)
Total stockholders' deficit	<u>(362,641)</u>	<u>(361,071)</u>
Total liabilities and stockholders' deficit	<u>\$ 715,840</u>	<u>\$ 731,794</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Three months ended June 30,		March 17, 2005 (Inception) through June 30, 2010
	2010	2009	
Revenues	\$ 22,758	\$ -	\$ 127,895
Cost of sales	12,895	-	74,140
Gross profit	9,863	-	53,755
Operating expenses			
General and administrative expenses			
Legal and professional fees	7,313	3,107	606,252
Wages and salaries	54,923	39,720	829,858
Research and development	28,760	80,120	1,205,968
Other general and administrative	22,843	49,186	1,152,515
Total general and administrative expenses	113,839	172,133	3,794,593
Loss from operations	(103,976)	(172,133)	(3,740,838)
Other income	-	51,196	219,275
Interest expense	(5,703)	(17,324)	(374,818)
Loss before provision for income taxes	(109,679)	(138,261)	(3,896,381)
Provision for income taxes	-	-	(1,504)
Net loss	\$ (109,679)	\$ (138,261)	\$ (3,897,885)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.12)
Basic and diluted weighted average common shares outstanding	94,769,327	44,916,293	31,293,793

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF STOCKHOLDERS' DEFICIT  
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Minority Interest</u>	<u>Prepaid</u>	<u>Accumulated Deficit</u>	<u>Stockholders' Deficit</u>
	<u>Shares</u>	<u>Amount</u>			<u>Services Paid in Common Stock</u>		
Balance at March 31, 2010	93,368,228	93,368	3,004,195	345,571	(16,000)	(3,788,205)	(361,071)
Common stock issued for cash	3,000,000	3,000	12,000	-	-	-	15,000
Common stock issued for services	250,000	250	2,250	-	-	-	2,500
Minority interest in SolRayo				84,610			84,610
Amortization of prepaid services	-	-	-	-	6,000	-	6,000
Net loss	-	-	-	-	-	(109,679)	(109,679)
Balance at June 30, 2010	<u>96,618,228</u>	<u>96,618</u>	<u>3,018,445</u>	<u>430,181</u>	<u>(10,000)</u>	<u>(3,897,885)</u>	<u>(362,641)</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS

	Three Months ended June 30, 2010	Three Months ended June 30, 2009	March 17, 2005 (Inception) through June 30, 2010
Cash flows from operating activities:			
Net loss	(109,679)	(138,261)	\$ (3,897,884)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	11,141	10,938	199,156
Stock based compensation	8,500	15,511	678,579
Stock based compensation related to office supplies	-	-	2,608
Interest accrued on PV of min royalty payments	4,321	4,321	237,689
Changes in operating assets and liabilities:			
Prepaid expenses	4,000	46	(1,605)
Accounts receivable	-	30,513	-
Other receivable	-	20,630	-
Accounts payable	(3,922)	(5,145)	180,536
Accrued liabilities	(3,700)	27,867	282,145
Net cash used by operating activities	<u>(89,339)</u>	<u>(33,580)</u>	<u>(2,318,777)</u>
Cash flows from investing activities:			
Purchase of fixed assets	-	(15,663)	(93,932)
Change in non-controlling interest	84,610	-	430,182
Purchase of intangible assets	-	-	(9,714)
Net cash used by investing activities	<u>84,610</u>	<u>(15,663)</u>	<u>326,536</u>
Cash flows from financing activities:			
Issuance of common stock for cash	15,000	37,825	1,318,237
Issuance of common stock in satisfaction of due to stockholders	-	5,000	235,239
Change in due to stockholders	(11,084)	(15,249)	444,759
Net cash provided by financing activities	<u>3,916</u>	<u>27,576</u>	<u>1,998,235</u>
Net change in cash	(813)	(21,667)	5,995
Beginning balance, April 1	<u>6,808</u>	<u>25,663</u>	<u>-</u>
Ending balance	<u>\$ 5,995</u>	<u>\$ 3,996</u>	<u>\$ 5,995</u>

Continued on next page

Schedule of non-cash investing and financing activities:

Issuance of 2,780,200 shares for fixed assets	\$ -	\$ -	\$ 13,901
Issuance of 1,500,000 shares for prepaid services	\$ -	\$ -	\$ 145,000
Purchase of intangible asset			
Issuance of 2,000,000 shares related to Technology and Patent assignment	\$ -	\$ -	\$ 10,000
Other liability for license fee for patent relating to ultracapacitor technology from University of Wisconsin (WARF)	-	-	20,000
Present value of minimum royalty payments related to license from University of Wisconsin (WARF)	4,321	4,321	216,044
	<u>\$ 4,321</u>	<u>\$ 4,321</u>	<u>\$ 246,044</u>
Issuance of warrants in conjunction with due to stockholders	\$ -	\$ -	\$ 88,000
Issuance of common stock in satisfaction of due to stockholders	\$ -	\$ 215,139	\$ 287,144
Amendment to Technology and Patent Assignment	\$ -	\$ -	\$ 686,494
Supplemental disclosure for			
Cash paid for			
Interest	\$ 1,382	\$ 43,584	\$ 78,978
Income taxes	\$ -	\$ -	\$ 843

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010  
(Unaudited)

1. BASIS OF PRESENTATION

Enable IPC Corporation (hereinafter referred to as the “Company”) is a development stage company incorporated on March 17, 2005 under the laws of the state of Delaware. Enable IPC is engaged in the development of new power technologies that combine thin films and nanotechnology. Enable IPC (Intellectual Property Commercialization) will use these breakthroughs to manufacture microbatteries on microscopically thin film (which are expected to be smaller, cheaper, last longer, and more environmentally friendly than today's standard batteries), ultracapacitors on standard carbon sheets impregnated with nanoparticles and potentiostat systems..

The accompanying unaudited condensed financial statements have been prepared in accordance with Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The financial statements should be read in conjunction with the Company's Annual Financial Statements in this document.

These interim financial statements present the condensed balance sheet, statements of operations, stockholders' deficit and cash flows of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

The interim financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the financial position of the Company as of June 30, 2010 and the results of operations and cash flows presented herein have been included in the financial statements. Interim results are not necessarily indicative of results of operations for the full year.

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

2. STOCK-BASED COMPENSATION

On April 1, 2006 the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), “Share-Based Payment”, requiring the Company to recognize expense related to the fair value of its employee stock option awards. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

The Company has granted no warrants or options to employees since inception. Accordingly, the adoption of SFAS No. 123 (R) did not impact the financial statements.

3. RELATED-PARTY TRANSACTIONS

At June 30, 2010, the Company recorded owing \$493,124 to related parties. Of the total amount, \$353,418 was owed for services rendered to the Company and \$139,706 was recorded for outstanding loans to the Company. Both are summarized below.

### *Services*

The Company owed \$353,418 to stockholders for services to the Company. Of this amount, \$296,662 was owed to five shareholders for consulting services rendered to the Company. In addition, the Company owed a total of \$56,756 to Board members for services rendered.

### *Loans*

The Company had three outstanding loans payable to shareholders on June 30, 2010. They are summarized as follows:

The first loan was for \$40,000 at 13% interest per annum for a term of 24 months. The Company is required to make monthly payments of \$1,905 for 24 months. Interest on this loan totals \$5,721. As of June 30, 2010 the Company had made twelve payments on this loan totaling \$22,861 (\$18,671 toward principal and \$4,190 toward interest). Total principal remaining on this loan on March 31, 2010 was \$22,861, which included \$1,531 in past due interest.

The second loan was for \$240,000 at 13% interest per annum for a term of 30 months. The Company is required to make monthly payments of \$9,413.17 for 30 months. Interest on this loan totals \$42,395. As of June 30, 2010 the Company had made payments on this loan totaling \$162,329 (\$127,502 toward principal and \$34,827 toward interest). The total principal remaining on this loan, including past due interest, on June 30, 2010 was \$115,545.

The third loan was for \$1,300 and was made by a Board member at no interest. The loan is due and payable on September 30, 2010.

#### 4. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the development stage, has no operating revenue and incurred a net loss of approximately \$3,897,885 for the period from March 17, 2005 (Date of Inception) through June 30, 2010. The Company's management is in the process of raising additional capital for the Company.

As part of this effort, during the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. Also, in September 2005, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 250,000 shares of common stock at an exercise price of \$0.01 per share, all of which had been exercised as of March 31, 2008 for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of June 30, 2008.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,142,500 shares for proceeds of \$309,000 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$409,325, 1,500,000 shares for prepaid services which are amortized over the performance period, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, reacquire 1,500,000 shares from an investor and issued warrants to purchase up to 2,250,000 shares of common stock

at an exercise price of \$0.04 per share, 50,000 of which had been exercised as of June 30, 2008 for proceeds of \$2,000.

During the fiscal year ended March 31, 2009, the Company issued an aggregate of 8,660,000 shares for proceeds of \$252,000. In addition, the Company issued an aggregate of 1,614,504 shares for services valued at \$38,601, 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725, and 2,865,000 shares in satisfaction of amounts due to shareholders. In addition, the Company issued 317,500 shares for prepaid services valued at \$19,800, which were amortized over the performance period.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allows each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflect that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements are non-transferable, there are no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contain no rights as a shareholder prior to exercise and all stockholders receiving the warrants are required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring on April; 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of March 31, 2010, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and 15,408,621 warrant agreements had expired. 5,701,199 of these warrant agreements remained in force all with an exercise price of \$0.08 per share and due to expire on April 30, 2010.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which will be amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 7,500,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which will be amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. The Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 shares to an investor for services valued at \$2,500.

The Company continues to seek to raise additional funds to support operations through private placements of equity and debt securities. Management believes that the funds raised through this plan will be sufficient to support our operations through the year ending March 31, 2012.

These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

#### 5. PRESENT VALUE OF MINIMUM ROYALTY PAYMENTS, NET

The Company has entered into an Exclusive License Agreement ("License Agreement") granting the Company proprietary rights from the owner of the technology, the Wisconsin Alumni Research Foundation ("WARF"), in consideration for an initial license fee of \$50,000, reimbursement of WARF's patent costs (\$12,971) and royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

The Company recorded the present value of the above royalty payments totaling \$170,955 (assuming a 10% per annum imputed interest rate) as part of the value of the intangible asset. As of June 30, 2010 the present value of minimum royalty payments, net is as follows:

Present value of minimum royalty payments	\$ 170,955
Plus: Accrued interest on minimum royalty payments	12,606
Present value of minimum royalty payments, net	<u>\$ 156,349</u>

6. COMMON STOCK

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 shares to an investor for services valued at \$2,500.

7. SUBSEQUENT EVENTS

In July 2010, the Company commenced work on a grant from the National Science Foundation SBIR/STTR Program. This grant will provide \$149,935 to conduct research into "Using Nanoparticle Oxide Coatings to Increase Cycle Life of Cathode Materials for Li-Ion Batteries". The work will be performed under the guidance of the Company's subsidiary, SolRayo's Director of Battery R&D, Dr. Walter Zeltner, who will serve as principal investigator, and will be accomplished in collaboration with the University of Wisconsin. The award will provide funding from July 1, 2010 through June 30, 2011.

**Enable IPC Corporation and SolRayo, Inc.  
Consolidated and Condensed Financial Statements  
and Notes to Financial Statements  
for the Year Ended  
March 31, 2010  
Unaudited**

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED AND CONDENSED BALANCE SHEET  
MARCH 31 2010  
(Unaudited)

ASSETS

Current assets	
Cash	\$ 6,808
Accounts receivable	-
Other receivable	-
Prepaid expenses due within 12 months	4,105
Total current assets	10,913
Fixed assets, net	52,641
Other assets	
Other prepaid expenses	1,500
Intangible assets, net	666,740
	668,240
Total assets	\$ 731,794

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities	
Accounts payable	\$ 169,527
Accrued expenses and other current liabilities	187,408
Other liability	20,000
Due to stockholders	504,207
Total current liabilities	881,142
Long-term liabilities	
Present value of minimum royalty payments	211,723
Total long-term liabilities	211,723
Total liabilities	1,092,865
Commitments and contingencies	
	-
Stockholders' deficit	
Minority interest in SolRayo	345,571
Preferred stock; \$0.001 par value; 10,000,000 shares authorized 0 shares issued and outstanding	-
Common stock; \$0.001 par value; 100,000,000 shares authorized 93,368,228 shares issued and outstanding	93,368
Additional paid-in capital	2,916,195
Additional paid-in capital -- warrants	88,000
Prepaid services in common stock	(16,000)
Accumulated deficit	(3,788,205)
Total stockholders' deficit	(361,071)
Total liabilities and stockholders' deficit	\$ 731,794

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Year Ended 2010	Year Ended 2009	March 17, 2005 (Inception) through March 31, 2010
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues	\$ 45,906	\$ 59,231	\$ 105,137
Cost of sales	41,145	21,900	63,045
Gross profit	4,761	37,331	42,092
Operating expenses			
General and administrative expenses			
Legal and professional fees	27,068	179,470	598,939
Wages and salaries	150,420	165,309	773,136
Research and development	249,342	455,900	1,177,208
Other general and administrative	171,287	319,161	1,129,672
Total general and administrative expenses	<u>598,117</u>	<u>1,119,839</u>	<u>3,678,955</u>
Loss from operations	(593,356)	(1,082,508)	(3,636,863)
Other income	138,669	80,607	219,275
Interest expense	<u>(51,098)</u>	<u>(83,791)</u>	<u>(369,114)</u>
Loss before provision for income taxes	(505,785)	(1,085,693)	(3,786,702)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>(1,503)</u>
Net loss	<u>\$ (505,785)</u>	<u>\$ (1,085,693)</u>	<u>\$ (3,788,205)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.13)</u>
Basic and diluted weighted average common shares outstanding	<u>60,897,674</u>	<u>36,292,638</u>	<u>28,156,219</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC.  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT  
(unaudited)

	Common Stock		Additional Paid-in Capital	Minority Interest	Prepaid Services Paid in Common Stock	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount					
Balance at March 31, 2009	42,904,000	42,904	2,609,464	241,972	(26,541)	(3,282,420)	(414,620)
Common stock issued for cash	33,664,228	33,664	225,431	-	-	-	259,095
Common stock issued for services	11,050,000	11,050	115,950	-	-	-	127,000
Common stock issued for prepaid services	3,500,000	3,500	35,500	-	-	-	39,000
Common stock issued in satisfaction of due to stockholders	2,250,000	2,250	17,850	-	-	-	20,100
Minority interest in SolRayo	-	-	-	103,599	-	-	103,599
Amortization of prepaid services	-	-	-	-	10,541	-	10,541
Net loss	-	-	-	-	-	\$ (505,785)	(505,785)
Balance at March 31, 2010	<u>93,368,228</u>	<u>93,368</u>	<u>3,004,195</u>	<u>345,571</u>	<u>(16,000)</u>	<u>(3,788,205)</u>	<u>(361,070)</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended March 31, 2010	Year ended March 31, 2009	March 31, 2005 (Inception) through March 31, 2010
Cash flows from operating activities:			
Net loss	\$ (505,785)	\$ (998,152)	\$ (3,788,205)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	44,356	39,383	188,015
Stock based compensation	176,541	150,942	670,079
Stock based compensation related to office supplies	-	-	2,608
Interest accrued on PV of min royalty payments	17,286	17,287	233,368
Changes in operating assets and liabilities:			
Prepaid expenses	46	23,109	(5,605)
Accounts receivable	30,512	(30,513)	
Other receivable	20,630	(20,630)	-
Accounts payable	(13,320)	161,220	184,458
Accrued liabilities	(116,831)	121,769	285,845
Net cash used by operating activities	<u>(346,565)</u>	<u>(535,586)</u>	<u>(2,229,438)</u>
Cash flows from investing activities:			
Purchase of fixed assets	(17,633)	(39,140)	(93,932)
Change in non-controlling interest	103,599	241,972	345,572
Purchase of intangible assets	-	-	(9,714)
Net cash used by investing activities	<u>85,966</u>	<u>202,832</u>	<u>241,926</u>
Cash flows from financing activities:			
Issuance of common stock for cash	259,095	-	1,303,237
Issuance of common stock in satisfaction of due to stockholders	20,100	-	235,239
Change in due to stockholders	(37,451)	(66,352)	455,843
Net cash provided by financing activities	<u>241,744</u>	<u>(66,352)</u>	<u>1,994,319</u>
Net change in cash	(18,855)	(399,106)	6,808
Beginning balance, April 1	<u>25,663</u>	<u>40,171</u>	<u>-</u>
Ending balance	<u>\$ 6,808</u>	<u>\$ (358,935)</u>	<u>\$ 6,808</u>

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

Year ended      Year ended      March 31, 2005  
March 31,      March 31,      (Inception) through  
2010              2009              March 31, 2010

Continued from previous page

Schedule of non-cash investing and financing activities:	Year ended March 31, 2010	Year ended March 31, 2009	March 31, 2005 (Inception) through March 31, 2010
Issuance of 2,780,200 shares for fixed assets	\$ -	\$ -	\$ 13,901
Issuance of 1,500,000 shares for prepaid services	\$ -	\$ -	\$ 145,000
Purchase of intangible asset			
Issuance of 2,000,000 shares related to Technology and Patent assignment	\$ -	\$ -	\$ 10,000
Other liability for license fee for patent relating to ultracapacitor technology from University of Wisconsin (WARF)	-	-	25,000
Present value of minimum royalty payments related to license from University of Wisconsin (WARF)	211,723	194,436	577,151
	<u>\$ 211,723</u>	<u>\$ 194,436</u>	<u>\$ 612,151</u>
Issuance of warrants in conjunction with due to stockholders	\$ -	\$ -	\$ 88,000
Issuance of common stock in satisfaction of due to stockholders	\$ 20,020	\$ 215,139	307,164
Amendment to Technology and Patent Assignment	\$ -	\$ -	\$ 686,494
Supplemental disclosure for			
Cash paid for			
Interest	\$ 33,811	\$ 43,584	112,789
Income taxes	\$ -	\$ -	\$ 843
<b>See Accompanying Notes to Financial Statements</b>			

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010  
(Unaudited)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES

Basis of presentation – The consolidated financial statements include the financial statements of Enable IPC Corporation and Enable’s subsidiary, SolRayo, Inc., under its effective control from its date of acquisition (October 1, 2008), after elimination of inter-company transactions and balances. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates and such differences could be material.

Description of business – Enable IPC Corporation (hereinafter referred to as the “Company”) is a development stage company incorporated on March 17, 2005 under the laws of the state of Delaware. Enable IPC is engaged in the development of new power technologies. The Company is currently working on two technologies: microbatteries on microscopically thin film (which are expected to be smaller, cheaper, last longer, and more environmentally friendly than today’s standard batteries) and ultracapacitors on standard carbon sheets impregnated with nanoparticles.

Subsidiary and Subsidiary’s Portion of Net Loss – In October 2008, the Company acquired a controlling interest in SolRayo, then a Wisconsin-based LLC, co-founded and operated by Kevin Leonard, one of the inventors of the Company’s ultracapacitor technology. SolRayo had been awarded a grant from the State of Wisconsin’s Energy Independence Fund, which required SolRayo to provide \$250,000 in “in-kind” cash, goods and/or services. Enable IPC provided the \$250,000 “in-kind” portion in exchange for a controlling interest (50.01%) in SolRayo, plus a majority presence on SolRayo’s Board of Managers. The statements included herein are consolidated between the two entities (see “Basis of presentation” above).

In August 2009, SolRayo converted to a class C corporation organized under the laws of the State of Wisconsin. The ownership interests were transferred to the corporation on a pro rata basis.

Together with Enable, the net loss for the fiscal year ended March 31, 2010 was \$505,785. SolRayo’s portion of this net loss was \$102,272. Total consolidated net loss from inception to March 31, 2010 was \$3,788,205. SolRayo’s portion of this total net loss was \$111,441.

Going concern – The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the development stage, has no operating revenue and incurred a net loss of approximately \$3,788,205 for the period from March 17, 2005 (Date of Inception) through March 31, 2010. The Company’s management is in the process of raising additional capital for the Company. As part of this effort, the Company issued the following common stock and warrants:

During the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. In addition, the Company issued to

another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 350,000 shares of common stock at an exercise price of \$0.01 per share, 250,000 of which had been exercised for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,442,500 shares for proceeds of \$313,500 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$344,320, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, and warrants to purchase 3,350,000 shares of common stock, 1,000,000 at an exercise price of \$0.04 per share, 50,000 of which have been exercised for proceeds of \$2,000 as of the date of this annual report, and 2,350,000 at an exercise price of \$0.01 per share, none of which have been exercised as of the date of this annual report. In addition, the Company reacquired an aggregate of 2,500,000 shares.

During the fiscal year ended March 31, 2009, the Company issued an aggregate of 8,660,000 shares for proceeds of \$252,000. In addition, the Company issued an aggregate of 1,614,504 shares for services valued at \$38,601, 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725, and 2,865,000 shares in satisfaction of amounts due to shareholders. In addition, the Company issued 317,500 shares for prepaid services valued at \$19,800, which were amortized over the performance period.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allows each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflect that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements are non-transferable, there are no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contain no rights as a shareholder prior to exercise and all stockholders receiving the warrants are required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring

on April; 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of March 31, 2010, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and 15,408,621 warrant agreements had expired. 5,701,199 of these warrant agreements remained in force all with an exercise price of \$0.08 per share and due to expire on April 30, 2010.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which will be amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 7,500,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which will be amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. the Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

Definition of fiscal year – The Company’s fiscal year end is March 31.

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

Cash – The Company places its cash with high quality institutions. Accounts at each institution are insured up to \$100,000 by the Federal Deposit Insurance Corporation. As of March 31, 2010, the Company has no uninsured cash balance.

Fixed assets – Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Intangible assets – Intangible assets are amortized principally on the straight-line method over their useful lives of 20 years.

The Company evaluates the remaining useful life of the intangible asset being amortized annually to determine whether events and circumstances warrant a revision to the remaining period of amortization. If the estimate of the intangible asset’s remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over that revised remaining useful life. If the intangible asset being amortized is subsequently determined to have an indefinite useful life, the asset will no longer be amortized and will be accounted for in the same manner as other intangible assets that are not subject to amortization.

Research and development – The Company expects to make substantial investments in research and development in order to develop and market our technology. Research and development costs consist primarily of consulting fees related to research and development activities and laboratory supplies. The Company expenses research and development costs as incurred. Property, plant and equipment for research and development that have an alternative future use are capitalized and the related depreciation is expensed as research and development costs. Property, plant and equipment for research and development that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The costs of intangibles that are purchased from others for use in research and development activities and that have alternative future uses in research and development projects or otherwise are capitalized and amortized as intangible assets. The amortization of those intangible assets used in research and development activities is a research and development cost. Costs of intangibles that are purchased from others for a particular research and development project and that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The Company expects our

research and development expense to increase as we continue to invest in the development of our technology.

Minority interests – In October 2008, the Company acquired a controlling interest in SolRayo, a Wisconsin-based LLC, which was co-founded and operated by Kevin Leonard, one of the inventors of Enable IPC's ultracapacitor technology. Therefore, the financial statements presented are consolidated with SolRayo. The interests of the other unit holders of SolRayo are reflected under the "Equity" portion of the Balance Sheet, in accordance with Financial Accounting Standards No. 160, Noncontrolling Interests in Consolidated Financial Statements.

Income taxes – The Company accounts for its income taxes in accordance with Statement of Financial Accounting Standards No. 109, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-based compensation – On April 1, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), "Share-Based Payment," requiring the Company to recognize expense related to the fair value of its employee stock option awards. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

From inception to March 31, 2009, the Company has granted no warrants or options to employees for services. Accordingly, the adoption of SFAS No. 123 (R) did not impact the financial statements.

Fair value of financial instruments - The carrying amounts and estimated fair values of the Company's financial instruments approximate their fair value due to the short-term nature.

Earnings (loss) per common share – Basic earnings (loss) per share excludes any dilutive effects of options, warrants and convertible securities. Basic earnings (loss) per share is computed using the weighted-average number of outstanding common shares during the applicable period. Diluted earnings (loss) per share is computed using the weighted average number of common and common stock equivalent shares outstanding during the period. Common stock equivalent shares are excluded from the computation if their effect is antidilutive.

New accounting pronouncements – In July 2006, FASB issued Financial Accounting Standards Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a company's income tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 utilizes a two-step approach for evaluating tax positions. Step one, *Recognition*, occurs when a company concludes that a tax position is more likely than not to be sustained upon examination, Step two, *Measurement*, is based on the largest amount of benefit, which is more likely than not to be realized on ultimate settlement. FIN 48 is effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle to be recorded as an adjustment to the beginning balance of retained earnings and therefore are effective for

the Company in the first quarter of fiscal 2008. The Company is currently in the process of evaluating the effects of adopting FIN 48 and the impact of adoption on its consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) 157, “Fair Value Measurements.” SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of SFAS 157 will change current practice. The provisions of SFAS 157 are effective as of the beginning of the Company’s 2009 fiscal year. The Company is currently evaluating the impact of SFAS 157, but does not expect the adoption of SFAS 157 to have a material impact on its consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” which expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating SFAS 159 to determine its impact on its consolidated financial position, results of operations or cash flows.

2. FIXED ASSETS

A summary of fixed assets as of March 31, 2010 are as follows:

Office and lab equipment	\$ 67,709
Office furniture	5,927
Leasehold improvements	<u>2,610</u>
	80,388
Less: accumulated depreciation	<u>(27,747)</u>
	<u>\$ 52,641</u>

3. INTANGIBLE ASSETS

A summary of intangible assets as of March 31, 2010 is as follows:

Microbattery patent	\$ 593,857
Ultracapacitor patent license	<u>233,153</u>
Less: accumulated amortization	<u>(160,270)</u>
	<u>\$ 666,740</u>

The microbattery patent value of \$593,857 consists of 2,000,000 shares of the Company’s stock of \$0.001 par value totaling \$10,000 plus an amendment to the Technology and Patent Assignment agreement which replaced a minimum annual royalty arrangement (see Note 4). The ultracapacitor patent license consists of the present value of minimum annual royalty payments (See Note 4) totaling \$170,956, \$50,000 in initial license fees and \$12,197 in patent costs.

4. PRESENT VALUE OF MINIMUM ROYALTY PAYMENTS, NET AND GAIN ON AMENDMENT TO TECHNOLOGY AND PATENT ASSIGNMENT

Microbattery

The Company had entered into a Technology and Patent Assignment Agreement (“Assignment Agreement”) which granted the Company proprietary rights from the technology’s inventor, Dr. Sung H. Choi. in consideration for royalties equal to 5% of the net sales of the product plus an annual royalty of five percent of net sales of the products resulting from the technology. The combined royalty amounts in any single calendar year must be at least equal to the amount shown in the schedule below, or else the 5% royalty shall not be paid, and instead the minimum annual amount shall be paid.

These minimum annual royalty payments were as follows:

2006	\$ 10,000
2007	\$ 15,000
2008	\$ 20,000
2009	\$ 45,000
2010	\$ 75,000
Thereafter	<u>\$1,500,000</u>
	<u>\$1,665,000</u>

In March 2008, Dr. Choi and the Company agreed to amend the Assignment Agreement, canceling the future minimum annual royalty payments (amounting to \$1,665,000 over the life of the patent) in exchange for changing the initial fee from 2,000,000 shares of the Company’s stock, valued at \$10,000, to \$100,000, payable with 2,000,000 shares of the Company’s stock previously issued to Dr. Choi plus \$90,000. In addition, the royalty rate on future product sales increased to 7.5% of net sales.

This amendment lowered the present value of the minimum annual royalty payment liability and increased additional paid-in capital by an aggregate of \$686,494.

Ultracapacitor

The Company has entered into an Exclusive License Agreement (“License Agreement”) granting the Company proprietary rights from the owner of the technology, the Wisconsin Alumni Research Foundation (“WARF”), in consideration for an initial license fee of \$50,000, reimbursement of WARF’s patent costs (\$12,971) and royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

The Company recorded the present value of the above royalty payments totaling \$170,955 (assuming a 10% per annum imputed interest rate) as part of the value of the intangible asset. As of March 31, 2010 the present value of minimum royalty payments, net is as follows:

Present value of minimum royalty payments	\$ 170,955
Plus: Accrued interest on minimum royalty payments	40,7681
Present value of minimum royalty payments, net	<u>\$ 211,723</u>

5. COMMON STOCK

During March 2005, the Company entered into a Technology and Patent Assignment Agreement (“Agreement”) with Sung H. Choi, to acquire certain technologies used in the business of Enable. In accordance with the Agreement, the Company issued 2,000,000 shares of the Company’s common stock totaling \$10,000 in exchange for all Proprietary rights under the Agreement.

During March 2005, the Company issued 1,000,000 shares of its common stock totaling \$5,000 to the board for services rendered.

During March 2005, the Company issued 2,546,217 shares of its common stock to the founders of the Company for cash totaling \$12,731.

During March 2005, the Company issued 2,780,200 shares of its common stock to the founders of the Company for fixed assets totaling \$13,901.

During March 2005, the Company issued 521,584 shares of its common stock to the founders of the Company for miscellaneous supplies totaling \$2608.

During July 2005, the Company issued 162,000 shares of its common stock for cash totaling \$18,000.

During July 2005 the Company issued a series of six warrants to a private investor to purchase an aggregate of 900,000 shares of common stock at an exercise price of \$0.10 per share. Each warrant was for 150,000 shares, and the warrants expired at the rate of 150,000 shares per month commencing in August 2005 and ending January 31, 2006. All 900,000 shares of common stock have been issued through the exercise of those warrants, for proceeds of \$90,000, as discussed in the following paragraphs.

During August 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During September 2005, the Company issued 1,275,000 shares of its common stock for cash totaling \$127,500. As part of the financing, the Company issued a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share. Also, in September 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During October 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During February 2006, the Company issued an aggregate of 200,000 shares of common stock for cash totaling \$14,000 and 450,000 shares of its common stock related to the exercise of warrants for cash totaling \$45,000.

During March 2006, the Company issued an aggregate of 270,000 shares of common stock for proceeds of \$18,900.

During April 2006, the Company issued an aggregate of 200,000 shares of common stock to a private investor for proceeds of \$14,000.

During July 2006, the Company issued an aggregate of 114,286 shares of common stock to two private investors for proceeds of \$8,000.

During September 2006, the Company issued an aggregate of 285,714 shares of common stock to two private investors for proceeds of \$20,000, less \$350 in offering costs.

During October 2006, the Company issued an aggregate of 152,497 shares of common stock to two private investors for proceeds of \$10,675, less \$350 in offering costs, and 150,000 shares of common stock to two companies for services valued at an aggregate of \$10,500.

During November 2006, the Company issued an aggregate of 65,000 shares of common stock to a private investor for proceeds of \$4,550, less \$350 in offering costs, and 100,000 shares of common stock to two individuals to repay the principal on loans totaling \$7,000.

During February 2007, the Company issued an aggregate of 700,000 shares of common stock to two private investors for proceeds of \$70,000, less \$1429 in offering costs. In addition, the Company issued a warrant to one of the private investors to purchase 250,000 shares of common stock at an exercise price of \$0.10 per share and a warrant to the other private investor to purchase 100,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During March 2007, the Company issued an aggregate of 1,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$823 in offering costs.

In April 2007, the Company issued an aggregate of 106,153 shares of common stock to two companies for services valued at \$13,760.

In May 2007, the Company issued an aggregate of 2,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$350 in offering costs.

In June 2007, the Company issued 2,500,000 shares of common stock to a private investor for proceeds of \$50,000, less \$550 in offering costs.

In August 2007, the Company issued an aggregate of 214,358 shares of common stock to repay loans totaling \$15,005, an aggregate of 1,459,688 shares of common stock for services valued at \$69,800 and an aggregate of 200,000 shares of common stock to two private investors for cash proceeds of \$8,000. Also in August 2007, the Company issued to two private investors warrants to purchase an aggregate of 2,250,000 shares of common stock at an exercise price of \$0.04 per share, 50,000 of which had been exercised as of March 31, 2008 for proceeds of \$2,000.

In September 2007, the Company issued an aggregate of 500,000 shares of common stock for services valued at \$20,000 and an aggregate of 1,030,000 shares of common stock to two private investors for cash proceeds of \$51,500 less offering costs of \$2,500.

In October 2007, the Company issued an aggregate of 1,076,190 shares of common stock to two private investors for services valued at \$142,000.

In November 2007, the Company issued 50,000 shares of common stock to a private investor for proceeds of \$10,000, less offering costs of \$13.

In December 2007, the Company issued an aggregate of 1,000,000 shares of common stock to a private investor for proceeds of \$40,000. Also in December 2007, the Company issued an aggregate of 140,910 shares of its common stock to four private investors for services valued at \$17,000 and 1,000,000 shares of its common stock for prepaid services valued at \$100,000 to be performed between January 1 and December 31, 2008, which will be amortized over the period.

In January 2008 the Company reacquired an aggregate of 1,500,000 shares from a previous investor under the terms of an agreement in which the investor agreed to waive his rights to register additional shares of stock under his control and rescind a previous Stock Purchase Agreement.

In February 2008 the Company issued an aggregate of 612,500 shares of common stock to 13 private investors for proceeds of \$24,500. Also in February 2008, the Company issued 816,700 shares to 3 investors for services valued at \$81,670.

In March 2008 the Company issued 1,250,000 shares to an investor for proceeds of \$50,000. In addition, the Company issued 500,000 shares to four investors for services valued at \$50,000.

In April 2008, the Company issued 1,000,000 shares of its common stock to an investor for services valued at \$100,000. In addition, the Company issued 100,000 shares to an investor for prepaid services valued at \$9,000 to be performed between April 1, 2008 and March 31, 2010, which will be amortized over the period.

In May 2008, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$50,000. In addition, the Company issued an aggregate of 335,000 shares to two investors for prepaid services valued at \$27,400 to be performed between May 1, 2008 and December 31, 2008, which will be amortized over the period.

In June 2008, the Company issued an aggregate of 1,040,000 shares of its common stock to five investors for proceeds of \$26,000. In addition, the Company issued 200,000 shares to an investor for services valued at \$100,000.

In August 2008, the Company issued an aggregate of 2,620,000 shares of its common stock to six investors for proceeds of \$111,000. In addition, the Company issued 1,526,404 shares to an investor for services valued at \$40,307. Finally, the Company issued 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725.

In October 2008, the Company issued 500,000 shares of its common stock to an investor for proceeds of \$20,000.

In November, the Company issued an aggregate of 549,600 shares of its common stock to three investors for services valued at \$35,107.

In January 2009, the Company issued an aggregate of 2,000,000 shares of its common stock to two investors for proceeds of \$20,000. In addition, the Company issued an aggregate of 936,000 shares of its common stock to two investors for services valued at \$22,000.

In February 2009, the Company issued 50,000 shares of its common stock to an investor for proceeds of \$2,000.

In March 2009, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$25,000.

On March 23, 2009, the Board of Directors unanimously consented to amend the Company's Certificate of Incorporation to increase the authorized common stock from 50 million shares to 100 million shares, upon approval of the stockholders.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allows each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflect that 25% of the

warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements are non-transferable, there are no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contain no rights as a shareholder prior to exercise and all stockholders receiving the warrants are required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring on April; 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of March 31, 2010, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and 15,408,621 warrant agreements had expired. 5,701,199 of these warrant agreements remained in force all with an exercise price of \$0.08 per share and due to expire on April 30, 2010.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which will be amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 7,500,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which will be amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

In addition, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. the Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

## 6. COMMITMENTS AND CONTINGENCIES

Consulting agreements – In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for a period of twelve months in consideration of an hourly fee of \$75 and 250,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for twelve months in consideration of an hourly fee of \$75 and 150,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In November 2009 the Company entered into a consulting agreement with a company to provide consultant services for a period of twelve months beginning December 2009 and ending November 2010 for a fee of 2,000,000 shares of common stock valued at \$24,000. The amount is being amortized over the period. As of March 31, 2010, \$8,000 was charged to consulting expense and \$16,000 remained in prepaid services paid in common stock.

Royalties – The Company has entered into an amended Technology and Patent Assignment Agreement (“Assignment Agreement”) granting the Company proprietary rights in consideration for royalties equal to 7.5% of the net sales of the product. As of March 31, 2010, no royalties have been paid.

The Company has entered into an Exclusive License Agreement (“License Agreement”) granting the Company proprietary rights in consideration for royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

Leased facilities – The Company’s two-year lease expired on December 31, 2007. The Company continued to rent its facility on a month-to-month basis. The first year, the lease called for monthly payments of \$3,168. In the second year, the lease called for a rent of \$3,295 per month. Beginning January 2008, the month-to-month rent was \$3,479. The Company moved into a new facility in June 2008.

On May 27, 2008, the Company entered into a lease agreement with Meadows Stabe Properties, LLC (“Landlord”) for the leasing of approximately 1,580 square feet of commercial office space located at 29033 Avenue Sherman, Unit 202, Valencia, California.

The term of the lease is two years beginning June 1, 2008 and rental payments are \$2,000 per month for the first year and \$2,080 per month for the second year. In addition, the Company was required to pay to the Landlord upon commencement of the lease a security deposit of \$4,000. Execution of this lease lowered our rental payments by approximately \$1,480 per month during the first year and increased the amount of office space available to us. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

On November 26, 2008, the Company's subsidiary, SolRayo, entered into a lease agreement with St. John's Properties, Inc. ("Landlord") for the leasing of approximately 1,500 square feet of industrial and office space located at 4005 Felland Road, Suite 107, Madison, Wisconsin. The term of the lease is three years beginning March 1, 2009 and rental payments are \$1,500 per month for the first year, \$1,545 per month for the second year and \$1,591 for the third year. In addition, the Company was required to pay to the Landlord upon commencement of the lease a security deposit of \$1,500. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

As of March 31, 2010, total rent expense approximated \$167,219.

7. INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes," which requires use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the current enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

For the period ended March 31, 2009, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At March 31, 2009, the Company had approximately \$3,282,419 of accumulated federal and state net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2026.

The components of the Company's deferred tax asset are as follows:

	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	March 17, 2005 (Inception) through March 31, 2007
Deferred tax assets:				
Net operating loss carryforwards	<u>\$ 171,967</u>	<u>\$369,227</u>	<u>\$ 339,371</u>	<u>\$ 407,556</u>
Total deferred tax assets	171,967	369,227	339,371	407,556
Deferred tax liabilities:				
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net deferred tax assets before valuation allowance	171,967	369,227	339,371	407,556
Less: Valuation allowance	<u>(171,967)</u>	<u>(369,227)</u>	<u>(339,371)</u>	<u>(407,556)</u>
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

For financial reporting, the Company has incurred a loss since inception to March 31, 2010. Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at March 31, 2010.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	March 17, 2005 (Inception) through March 31, 2007
Change in valuation allowance on deferred tax assets	<u>\$(197,260)</u>	<u>\$ 29,856</u>	<u>\$ 119,388</u>	<u>\$ 291,983</u>
Total deferred tax assets	<u>197,260</u>	<u>(29,856)</u>	<u>(119,388)</u>	<u>(291,983)</u>
Total income tax benefit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#### 8. RELATED PARTY TRANSACTIONS

At March 31, 2010, the Company recorded owing \$504,207 to related parties. Of that amount, \$365,698 was owed for services rendered to the Company and \$138,509 was recorded for outstanding loans to the Company. Both are summarized below.

##### *Services*

The Company owed \$365,698 to stockholders for services to the Company. Of this amount, \$319,445 was owed to nine shareholders for consulting services rendered to the Company. In addition, the Company owed a total of \$45,953 to Board members for services rendered.

##### *Loans*

The Company had three outstanding loans payable to shareholders on March 31, 2010. They are summarized as follows:

The first loan was for \$40,000 at 13% interest per annum for a term of 24 months. The Company is required to make monthly payments of \$1,905 for 24 months. Interest on this loan totals \$5,721. As of March 31, 2010 the Company had made twelve payments on this

loan totaling \$22,861 (\$18,671 toward principal and \$4,190 toward interest). Total principal remaining on this loan on March 31, 2010 was \$22,861, which included \$1,531 in past due interest.

The second loan was for \$240,000 at 13% interest per annum for a term of 30 months. The Company is required to make monthly payments of \$9,413.17 for 30 months. Interest on this loan totals \$42,395. As of March 31, 2009 the Company had made payments on this loan totaling \$162,329 (\$127,502 toward principal and \$34,827 toward interest). The total principal remaining on this loan, including past due interest, on March 31, 2010 was \$113,035.

The third loan was for \$1,300, at no interest and was made to the Company by a Board member. Repayment for this loan is due September 30, 2010.

9. OTHER

Employment Contract – During March 2005, the Company entered into an Executive Employment Agreement (the “Employment Agreement”) with its President and Chief Executive Officer. The initial term of the Employment Agreement commenced in March 15, 2005 and ended on March 31, 2006. The Employment Agreement was extended on March 31, 2006 for one additional year, and expired on March 31, 2007. Pursuant to the Employment Agreement, the Chief Executive Officer is owed an annual base salary of \$150,000 for his service during the term of the Employment Agreement. This amount is payable in any combination of cash, common stock or options to purchase common stock as agreed to by Employee and Company. Additionally, the Chief Executive Officer will receive annual compensation of no less than 250,000 options to purchase the Company’s common stock, payable in equal increments on a quarterly basis and fully vested. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

10. SUBSEQUENT EVENTS

During April 2010, the Company issued 3,000,000 shares of its common stock to two investors for proceeds of \$15,000. In addition, the Company issued 250,000 to an investor for services valued at \$2,500.

**XIII: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.**

**Enable IPC Corporation and SolRayo, Inc.  
Consolidated Financial Statements  
and Notes to Financial Statements  
for the Year Ended  
March 31, 2009  
(Unaudited)**

**and**

**Enable IPC Corporation  
Condensed Financial Statements  
and Notes to Financial Statements  
for the Year Ended  
March 31, 2008  
(Audited)**

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
and SOLRAYO LLC  
CONSOLIDATED AND CONDENSED BALANCE SHEET  
MARCH 31 2009  
(Unaudited)

ASSETS

Current assets	
Cash	\$ 25,663
Accounts receivable	30,513
Other receivable	20,629
Prepaid expenses due within 12 months	<u>151</u>
Total current assets	76,955
Fixed assets, net	46,727
Other assets	
Other prepaid expenses	5,500
Intangible assets, net	<u>699,377</u>
	704,877
Total assets	<u><u>\$ 828,559</u></u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities	
Accounts payable	\$ 182,847
Accrued expenses and other current liabilities	299,239
Other liability	25,000
Due to stockholders	<u>505,003</u>
Total current liabilities	1,012,089
Long-term liabilities	
Due to stockholders	36,655
Present value of minimum royalty payments	<u>194,436</u>
Total long-term liabilities	231,091
Total liabilities	1,243,180
Commitments and contingencies	
Equity	
Minority interest in SoRayo	241,972
Stockholders' deficit	
Preferred stock; \$0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	-
Common stock; \$0.001 par value; 50,000,000 shares authorized, 42,904,000 shares issued and outstanding	42,904
Additional paid-in capital	2,521,464
Additional paid-in capital -- warrants	88,000
Prepaid services in common stock	(26,541)
Accumulated deficit	<u>(3,282,419)</u>
Total stockholders' deficit	<u>(414,620)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 828,560</u></u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED AND CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Year Ended 2009	Year Ended 2008	March 17, 2005 (Inception) through March 31, 2009
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues	\$ 59,231	\$ -	\$ 59,231
Cost of sales	21,900	-	21,900
Gross profit	37,331	-	37,331
Operating expenses			
General and administrative expenses			
Legal and professional fees	179,470	245,038	571,870
Wages and salaries	165,309	150,000	622,716
Research and development	455,900	183,180	922,866
Other general and administrative	319,161	311,417	963,385
Total general and administrative expenses	<u>1,119,839</u>	<u>889,635</u>	<u>3,080,836</u>
Loss from operations	(1,082,508)	(889,635)	(3,043,505)
Other income	80,607	-	80,607
Interest expense	<u>(83,791)</u>	<u>(108,517)</u>	<u>(318,016)</u>
Loss before provision for income taxes	(1,085,693)	(998,152)	(3,280,915)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>(1,504)</u>
Net loss	<u>\$ (1,085,693)</u>	<u>\$ (998,152)</u>	<u>\$ (3,282,419)</u>
Basic and diluted loss per common share	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.16)</u>
Basic and diluted weighted average common shares outstanding	<u>36,292,638</u>	<u>22,328,366</u>	<u>20,059,721</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF STOCKHOLDERS' DEFICIT  
(Unaudited)

	Common Stock		Additional Paid-in Capital	Minority Interest	Prepaid	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount			Services Paid in Common Stock		
Balance at March 31, 2008	28,678,996	28,679	2,093,150	-	(119,082)	(2,196,726)	(193,979)
Common stock issued for cash	9,428,000	9,428	273,297	-	-	-	282,725
Common stock issued for services	1,614,504	1,615	36,986	-	-	-	38,601
Common stock issued for prepaid services	317,500	318	19,482	-	(19,800)	-	-
Common stock issued in satisfaction of due to stockholders	2,865,000	2,865	186,549	-	-	-	189,414
Minority interest in SolRayo	-	-	-	241,972	-	-	241,972
Amortization of prepaid services	-	-	-	-	112,341	-	112,341
Net loss	-	-	-	-	-	\$ (1,085,693)	(1,085,693)
Balance at March 31, 2009	<u>42,904,000</u>	<u>42,904</u>	<u>2,609,464</u>	<u>241,972</u>	<u>(26,541)</u>	<u>(3,282,419)</u>	<u>(414,620)</u>

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Year ended March 31, 2009	Year ended March 31, 2008	March 31, 2005 (Inception) through March 31, 2009
Cash flows from operating activities:			
Net loss	\$ (1,085,693)	\$ (998,152)	\$ (3,282,419)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	39,383	36,159	143,659
Stock based compensation	150,942	322,097	493,538
Stock based compensation related to office supplies	-	-	2,608
Interest accrued on PV of min royalty payments	17,287	74,475	216,082
Changes in operating assets and liabilities:			
Prepaid expenses	23,109	(9,576)	(5,651)
Accounts receivable	(30,513)	-	(30,513)
Other receivable	(20,630)	240	(20,630)
Accounts payable	161,220	(62,059)	197,778
Accrued liabilities	121,769	(39,083)	402,676
Net cash used by operating activities	<u>(623,127)</u>	<u>(675,899)</u>	<u>(1,882,872)</u>
Cash flows from investing activities:			
Purchase of fixed assets	(39,140)	(37,159)	(76,299)
Change in non-controlling interest	241,972	-	241,973
Purchase of intangible assets	-	(1,473)	(9,714)
Net cash used by investing activities	<u>202,832</u>	<u>(38,632)</u>	<u>155,960</u>
Cash flows from financing activities:			
Issuance of common stock for cash	282,725	312,088	1,044,142
Issuance of common stock in satisfaction of due to stockholders	189,414	-	215,139
Change in due to stockholders	(66,352)	420,701	493,294
Net cash provided by financing activities	<u>405,787</u>	<u>732,789</u>	<u>1,752,575</u>
Net change in cash	(14,508)	18,258	25,663
Beginning balance, April 1	<u>40,171</u>	<u>21,913</u>	<u>-</u>
Ending balance	<u>\$ 25,663</u>	<u>\$ 40,171</u>	<u>\$ 25,663</u>

Continued on next page

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Year ended March 31, 2009	Year ended March 31, 2008	March 31, 2005 (Inception) through March 31, 2009
<b>Continued from previous page</b>			
<b>Schedule of non-cash investing and financing activities:</b>			
Issuance of 2,780,200 shares for fixed assets	\$ -	\$ -	\$ 13,901
Issuance of 1,500,000 shares for prepaid services	\$ -	\$ 145,000	\$ 145,000
Purchase of intangible asset			
Issuance of 2,000,000 shares related to Technology and Patent assignment	\$ -	\$ -	\$ 10,000
Other liability for license fee for patent relating to ultracapacitor technology from University of Wisconsin (WARF)	-	25,000	25,000
Present value of minimum royalty payments related to license from University of Wisconsin (WARF)	194,436		365,428
	\$ 194,436	\$ 25,000	\$ 365,428
Issuance of warrants in conjunction with due to stockholders	\$ -	\$ 88,000	\$ 88,000
Issuance of common stock in satisfaction of due to stockholders	\$ 215,139	\$ 65,005	\$ 287,144
Amendment to Technology and Patent Assignment	\$ -	\$ 686,494	\$ 686,494
Supplemental disclosure for			
Cash paid for			
Interest	\$ 43,584	\$ 35,204	\$ 78,978
Income taxes	\$ -	\$ -	\$ 843

See Accompanying Notes to Financial Statements

ENABLE IPC CORPORATION and SOLRAYO, INC  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2009  
(Unaudited)

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES

Basis of presentation – The consolidated financial statements include the financial statements of Enable IPC Corporation and Enable’s subsidiary, SolRayo, LLC, under its effective control from its date of acquisition (October 1, 2008), after elimination of inter-company transactions and balances. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates and such differences could be material.

Description of business – Enable IPC Corporation (hereinafter referred to as the “Company”) is a development stage company incorporated on March 17, 2005 under the laws of the state of Delaware. Enable IPC is engaged in the development of new power technologies. The Company is currently working on two technologies: microbatteries on microscopically thin film (which are expected to be smaller, cheaper, last longer, and more environmentally friendly than today’s standard batteries) and ultracapacitors on standard carbon sheets impregnated with nanoparticles.

Subsidiary acquisition – In October 2008, the Company acquired a controlling interest in SolRayo, a Wisconsin-based LLC, co-founded and operated by Kevin Leonard, one of the inventors of the Company’s ultracapacitor technology. SolRayo had been awarded a grant from the State of Wisconsin’s Energy Independence Fund, which required SolRayo to provide \$250,000 in “in-kind” cash, goods and/or services. Enable IPC provided the \$250,000 “in-kind” portion in exchange for a controlling interest (50.01%) in SolRayo, plus a majority presence on SolRayo’s Board of Managers. The statements included herein are consolidated between the two entities (see “Basis of presentation” above).

Together with Enable, the net loss for the fiscal year ended March 31, 2009 was \$1,085,693. SolRayo’s portion of this net loss was \$9,169. Total consolidated net loss from inception to March 31, 2010 was \$3,282,419. SolRayo’s portion of this total net loss was also \$9,169.

Going concern – The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the development stage, has no operating revenue and incurred a net loss of approximately \$3,282,419 for the period from March 17, 2005 (Date of Inception) through March 31, 2009. The Company’s management is in the process of raising additional capital for the Company. As part of this effort, the Company issued the following common stock and warrants:

During the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. In addition, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 350,000 shares of common stock at an exercise price of \$0.01 per share, 250,000 of which had been exercised for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,442,500 shares for proceeds of \$313,500 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$344,320, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, and warrants to purchase 3,350,000 shares of common stock, 1,000,000 at an exercise price of \$0.04 per share, 50,000 of which have been exercised for proceeds of \$2,000 as of the date of this annual report, and 2,350,000 at an exercise price of \$0.01 per share, none of which have been exercised as of the date of this annual report. In addition, the Company reacquired an aggregate of 2,500,000 shares.

In April 2008, the Company issued 1,000,000 shares of its common stock to an investor for services valued at \$100,000. In addition, the Company issued 100,000 shares to an investor for prepaid services valued at \$9,000 to be performed between April 1, 2008 and March 31, 2010, which will be amortized over the period.

In May 2008, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$50,000. Also, the Company issued an aggregate of 217,500 shares for services valued at \$16,600. In addition, the Company issued 217,500 shares to an investor for prepaid services valued at \$19,800 to be performed between May 1, 2008 and December 31, 2008, which will be amortized over the period.

In June 2008, the Company issued an aggregate of 1,040,000 shares of its common stock to five investors for proceeds of \$26,000. In addition, the Company issued 200,000 shares to an investor for services valued at \$12,000.

In August 2008, the Company issued an aggregate of 2,620,000 shares of its common stock to six investors for proceeds of \$111,000. In addition, the Company issued 1,526,400 shares to an investor for services valued at \$40,307. Finally, the Company issued 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725.

In October 2008, the Company issued 500,000 shares of its common stock to an investor for proceeds of \$20,000.

In November, the Company issued an aggregate of 549,600 shares of its common stock to three investors for services valued at \$35,107.

In January 2009, the Company issued an aggregate of 2,000,000 shares of its common stock to two investors for proceeds of \$20,000. In addition, the Company issued an aggregate of 936,000 shares of its common stock to two investors for services valued at \$22,000.

In February 2009, the Company issued 50,000 shares of its common stock to an investor for services valued at \$2,000.

In March 2009, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$25,000.

These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the

recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

Definition of fiscal year – The Company's fiscal year end is March 31.

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

Cash – The Company places its cash with high quality institutions. Accounts at each institution are insured up to \$100,000 by the Federal Deposit Insurance Corporation. As of March 31, 2009, the Company has no uninsured cash balance.

Fixed assets – Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Intangible assets – Intangible assets are amortized principally on the straight-line method over their useful lives of 20 years.

The Company evaluates the remaining useful life of the intangible asset being amortized annually to determine whether events and circumstances warrant a revision to the remaining period of amortization. If the estimate of the intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over that revised remaining useful life. If the intangible asset being amortized is subsequently determined to have an indefinite useful life, the asset will no longer be amortized and will be accounted for in the same manner as other intangible assets that are not subject to amortization.

Research and development – The Company expects to make substantial investments in research and development in order to develop and market our technology. Research and development costs consist primarily of consulting fees related to research and development activities and laboratory supplies. The Company expenses research and development costs as incurred. Property, plant and equipment for research and development that have an alternative future use are capitalized and the related depreciation is expensed as research and development costs. Property, plant and equipment for research and development that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The costs of intangibles that are purchased from others for use in research and development activities and that have alternative future uses in research and development projects or otherwise are capitalized and amortized as intangible assets. The amortization of those intangible assets used in

research and development activities is a research and development cost. Costs of intangibles that are purchased from others for a particular research and development project and that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The Company expects our research and development expense to increase as we continue to invest in the development of our technology.

Minority interests – In October 2008, the Company acquired a controlling interest in SolRayo, a Wisconsin-based LLC, which was co-founded and operated by Kevin Leonard, one of the inventors of Enable IPC's ultracapacitor technology. Therefore, the financial statements presented are consolidated with SolRayo. The interests of Mr. Leonard and one other unit holder of SolRayo are reflected under the "Equity" portion of the Balance Sheet, in accordance with Financial Accounting Standards No. 160, Noncontrolling Interests in Consolidated Financial Statements.

Income taxes – The Company accounts for its income taxes in accordance with Statement of Financial Accounting Standards No. 109, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-based compensation – On April 1, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), "Share-Based Payment," requiring the Company to recognize expense related to the fair value of its employee stock option awards. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

From inception to March 31, 2009, the Company has granted no warrants or options to employees for services. Accordingly, the adoption of SFAS No. 123 (R) did not impact the financial statements.

Fair value of financial instruments - The carrying amounts and estimated fair values of the Company's financial instruments approximate their fair value due to the short-term nature.

Earnings (loss) per common share – Basic earnings (loss) per share excludes any dilutive effects of options, warrants and convertible securities. Basic earnings (loss) per share is computed using the weighted-average number of outstanding common shares during the applicable period. Diluted earnings (loss) per share is computed using the weighted average number of common and common stock equivalent shares outstanding during the period. Common stock equivalent shares are excluded from the computation if their effect is antidilutive.

New accounting pronouncements – In July 2006, FASB issued Financial Accounting Standards Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a company's income tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 utilizes a two-step approach for evaluating tax positions. Step one, *Recognition*, occurs when a company concludes that a tax position is more likely than not to be sustained upon examination, Step two,

*Measurement*, is based on the largest amount of benefit, which is more likely than not to be realized on ultimate settlement. FIN 48 is effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle to be recorded as an adjustment to the beginning balance of retained earnings and therefore are effective for the Company in the first quarter of fiscal 2008. The Company is currently in the process of evaluating the effects of adopting FIN 48 and the impact of adoption on its consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) 157, “Fair Value Measurements.” SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of SFAS 157 will change current practice. The provisions of SFAS 157 are effective as of the beginning of the Company’s 2009 fiscal year. The Company is currently evaluating the impact of SFAS 157, but does not expect the adoption of SFAS 157 to have a material impact on its consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” which expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating SFAS 159 to determine its impact on its consolidated financial position, results of operations or cash flows.

2. FIXED ASSETS

A summary of fixed assets as of March 31, 2009 are as follows:

Office equipment	\$ 54,218
Office furniture	5,927
Leasehold improvements	<u>2,610</u>
	<u>62,755</u>
Less: accumulated depreciation	<u>(16,028)</u>
Fixed assets, net	<u>\$ 46,727</u>

3. INTANGIBLE ASSETS

A summary of intangible assets as of March 31, 2009 is as follows:

Microbattery patent	\$ 593,857
Ultracapacitor patent license	<u>233,153</u>
Less: accumulated amortization	<u>(127,633)</u>
Intangible assets, net	<u>\$ 699,377</u>

The microbattery patent value of \$593,857 consists of 2,000,000 shares of the Company’s stock of \$0.001 par value totaling \$10,000 plus an amendment to the Technology and Patent Assignment agreement which replaced a minimum annual royalty arrangement (see Note 4). The ultracapacitor patent license consists of the present value of minimum annual

royalty payments (See Note 4) totaling \$170,956, \$50,000 in initial license fees and \$12,197 in patent costs.

4. PRESENT VALUE OF MINIMUM ROYALTY PAYMENTS, NET AND GAIN ON AMENDMENT TO TECHNOLOGY AND PATENT ASSIGNMENT

Microbattery

The Company had entered into a Technology and Patent Assignment Agreement (“Assignment Agreement”) which granted the Company proprietary rights from the technology’s inventor, Dr. Sung H. Choi. in consideration for royalties equal to 5% of the net sales of the product plus an annual royalty of five percent of net sales of the products resulting from the technology. The combined royalty amounts in any single calendar year must be at least equal to the amount shown in the schedule below, or else the 5% royalty shall not be paid, and instead the minimum annual amount shall be paid.

These minimum annual royalty payments were as follows:

2006	\$ 10,000
2007	\$ 15,000
2008	\$ 20,000
2009	\$ 45,000
2010	\$ 75,000
Thereafter	<u>\$1,500,000</u>
	<u>\$1,665,000</u>

In March 2008, Dr. Choi and the Company agreed to amend the Assignment Agreement, canceling the future minimum annual royalty payments (amounting to \$1,665,000 over the life of the patent) in exchange for changing the initial fee from 2,000,000 shares of the Company’s stock, valued at \$10,000, to \$100,000, payable with 2,000,000 shares of the Company’s stock previously issued to Dr. Choi plus \$90,000. In addition, the royalty rate on future product sales increased to 7.5% of net sales.

This amendment lowered the present value of the minimum annual royalty payment liability and increased additional paid-in capital by an aggregate of \$686,494.

Ultracapacitor

The Company has entered into an Exclusive License Agreement (“License Agreement”) granting the Company proprietary rights from the owner of the technology, the Wisconsin Alumni Research Foundation (“WARF”), in consideration for an initial license fee of \$50,000, reimbursement of WARF’s patent costs (\$12,971) and royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

The Company recorded the present value of the above royalty payments totaling \$170,955 (assuming a 10% per annum imputed interest rate) as part of the value of the intangible asset. As of March 31, 2009 the present value of minimum royalty payments, net is as follows:

Present value of minimum royalty payments	\$ 170,955
Plus: Accrued interest on minimum royalty payments	<u>23,481</u>
Present value of minimum royalty payments, net	<u>\$ 194,436</u>

5. COMMON STOCK

During March 2005, the Company entered into a Technology and Patent Assignment Agreement (“Agreement”) with Sung H. Choi, to acquire certain technologies used in the business of Enable. In accordance with the Agreement, the Company issued 2,000,000 shares of the Company’s common stock totaling \$10,000 in exchange for all Proprietary rights under the Agreement.

During March 2005, the Company issued 1,000,000 shares of its common stock totaling \$5,000 to the board for services rendered.

During March 2005, the Company issued 2,546,217 shares of its common stock to the founders of the Company for cash totaling \$12,731.

During March 2005, the Company issued 2,780,200 shares of its common stock to the founders of the Company for fixed assets totaling \$13,901.

During March 2005, the Company issued 521,584 shares of its common stock to the founders of the Company for miscellaneous supplies totaling \$2608.

During July 2005, the Company issued 162,000 shares of its common stock for cash totaling \$18,000.

During July 2005 the Company issued a series of six warrants to a private investor to purchase an aggregate of 900,000 shares of common stock at an exercise price of \$0.10 per share. Each warrant was for 150,000 shares, and the warrants expired at the rate of 150,000 shares per month commencing in August 2005 and ending January 31, 2006. All 900,000 shares of common stock have been issued through the exercise of those warrants, for proceeds of \$90,000, as discussed in the following paragraphs.

During August 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During September 2005, the Company issued 1,275,000 shares of its common stock for cash totaling \$127,500. As part of the financing, the Company issued a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share. Also, in September 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During October 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During February 2006, the Company issued an aggregate of 200,000 shares of common stock for cash totaling \$14,000 and 450,000 shares of its common stock related to the exercise of warrants for cash totaling \$45,000.

During March 2006, the Company issued an aggregate of 270,000 shares of common stock for proceeds of \$18,900.

During April 2006, the Company issued an aggregate of 200,000 shares of common stock to a private investor for proceeds of \$14,000.

During July 2006, the Company issued an aggregate of 114,286 shares of common stock to two private investors for proceeds of \$8,000.

During September 2006, the Company issued an aggregate of 285,714 shares of common stock to two private investors for proceeds of \$20,000, less \$350 in offering costs.

During October 2006, the Company issued an aggregate of 152,497 shares of common stock to two private investors for proceeds of \$10,675, less \$350 in offering costs, and 150,000 shares of common stock to two companies for services valued at an aggregate of \$10,500.

During November 2006, the Company issued an aggregate of 65,000 shares of common stock to a private investor for proceeds of \$4,550, less \$350 in offering costs, and 100,000 shares of common stock to two individuals to repay the principal on loans totaling \$7,000.

During February 2007, the Company issued an aggregate of 700,000 shares of common stock to two private investors for proceeds of \$70,000, less \$1429 in offering costs. In addition, the Company issued a warrant to one of the private investors to purchase 250,000 shares of common stock at an exercise price of \$0.10 per share and a warrant to the other private investor to purchase 100,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During March 2007, the Company issued an aggregate of 1,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$823 in offering costs.

In April 2007, the Company issued an aggregate of 106,153 shares of common stock to two companies for services valued at \$13,760.

In May 2007, the Company issued an aggregate of 2,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$350 in offering costs.

In June 2007, the Company issued 2,500,000 shares of common stock to a private investor for proceeds of \$50,000, less \$550 in offering costs.

In August 2007, the Company issued an aggregate of 214,358 shares of common stock to repay loans totaling \$15,005, an aggregate of 1,459,688 shares of common stock for services valued at \$69,800 and an aggregate of 200,000 shares of common stock to two private investors for cash proceeds of \$8,000. Also in August 2007, the Company issued to two private investors warrants to purchase an aggregate of 2,250,000 shares of common stock at an exercise price of \$0.04 per share, 50,000 of which had been exercised as of March 31, 2008 for proceeds of \$2,000.

In September 2007, the Company issued an aggregate of 500,000 shares of common stock for services valued at \$20,000 and an aggregate of 1,030,000 shares of common stock to two private investors for cash proceeds of \$51,500 less offering costs of \$2,500.

In October 2007, the Company issued an aggregate of 1,076,190 shares of common stock to two private investors for services valued at \$142,000.

In November 2007, the Company issued 50,000 shares of common stock to a private investor for proceeds of \$10,000, less offering costs of \$13.

In December 2007, the Company issued an aggregate of 1,000,000 shares of common stock to a private investor for proceeds of \$40,000. Also in December 2007, the Company issued an aggregate of 140,910 shares of its common stock to four private investors for services valued at \$17,000 and 1,000,000 shares of its common stock for prepaid services valued at \$100,000 to be performed between January 1 and December 31, 2008, which will be amortized over the period.

In January 2008 the Company reacquired an aggregate of 1,500,000 shares from a previous investor under the terms of an agreement in which the investor agreed to waive his rights to register additional shares of stock under his control and rescind a previous Stock Purchase Agreement.

In February 2008 the Company issued an aggregate of 612,500 shares of common stock to 13 private investors for proceeds of \$24,500. Also in February 2008, the Company issued 816,700 shares to 3 investors for services valued at \$81,670.

In March 2008 the Company issued 1,250,000 shares to an investor for proceeds of \$50,000. In addition, the Company issued 500,000 shares to four investors for services valued at \$50,000.

In April 2008, the Company issued 1,000,000 shares of its common stock to an investor for services valued at \$100,000. In addition, the Company issued 100,000 shares to an investor for prepaid services valued at \$9,000 to be performed between April 1, 2008 and March 31, 2010, which will be amortized over the period.

In May 2008, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$50,000. In addition, the Company issued an aggregate of 335,000 shares to two investors for prepaid services valued at \$27,400 to be performed between May 1, 2008 and December 31, 2008, which will be amortized over the period.

In June 2008, the Company issued an aggregate of 1,040,000 shares of its common stock to five investors for proceeds of \$26,000. In addition, the Company issued 200,000 shares to an investor for services valued at \$100,000.

In August 2008, the Company issued an aggregate of 2,620,000 shares of its common stock to six investors for proceeds of \$111,000. In addition, the Company issued 1,526,404 shares to an investor for services valued at \$40,307. Finally, the Company issued 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725.

In October 2008, the Company issued 500,000 shares of its common stock to an investor for proceeds of \$20,000.

In November, the Company issued an aggregate of 549,600 shares of its common stock to three investors for services valued at \$35,107.

In January 2009, the Company issued an aggregate of 2,000,000 shares of its common stock to two investors for proceeds of \$20,000. In addition, the Company issued an aggregate of 936,000 shares of its common stock to two investors for services valued at \$22,000.

In February 2009, the Company issued 50,000 shares of its common stock to an investor for proceeds of \$2,000.

In March 2009, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$25,000.

On March 23, 2009, the Board of Directors unanimously consented to amend the Company's Certificate of Incorporation to increase the authorized common stock from 50 million shares to 100 million shares, upon approval of the stockholders.

## 6. COMMITMENTS AND CONTINGENCIES

Consulting agreements – In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for a period of twelve months in consideration of an hourly fee of \$75 and 250,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed

to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for twelve months in consideration of an hourly fee of \$75 and 150,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In December 2007 the Company entered into a consulting agreement with a company to provide consultant services for a period of twelve months beginning January 1, 2008 and ending December 31, 2008 for a fee of 1,000,000 shares of common stock valued at \$100,000. The amount is being amortized over the period. As of March 31, 2008, \$25,000 was charged to consulting expense and \$75,000 remained in prepaid services paid in common stock.

In March 2008 the Company entered into consulting agreements with five individuals to provide consulting services as members of the Company's Technical Advisory Committee for fees totaling 600,000 shares of common stock valued at \$54,000. The agreements called for these services to begin on March 15, 2008 and end on March 31, 2010. The amounts are being amortized over the period. As of March 31, 2009, \$27,459 was charged to consulting expense and \$26,544 remained in prepaid services paid in common stock.

Royalties – The Company has entered into an amended Technology and Patent Assignment Agreement (“Assignment Agreement”) granting the Company proprietary rights in consideration for royalties equal to 7.5% of the net sales of the product. As of March 31, 2009, no royalties have been paid.

The Company has entered into an Exclusive License Agreement (“License Agreement”) granting the Company proprietary rights in consideration for royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

Leased facilities – The Company's two-year lease expired on December 31, 2007. The Company continued to rent its facility on a month-to-month basis. The first year, the lease called for monthly payments of \$3,168. In the second year, the lease called for a rent of \$3,295 per month. Beginning January 2008, the month-to-month rent was \$3,479. The Company moved into a new facility in June 2008.

On May 27, 2008, the Company entered into a lease agreement with Meadows Stabe Properties, LLC (“Landlord”) for the leasing of approximately 1,580 square feet of commercial office space located at 29033 Avenue Sherman, Unit 202, Valencia, California. The term of the lease is two years beginning June 1, 2008 and rental payments are \$2,000 per month for the first year and \$2,080 per month for the second year. In addition, the Company was required to pay to the Landlord upon commencement of the lease a security deposit of \$4,000. Execution of this lease lowered our rental payments by approximately \$1,480 per month during the first year and increased the amount of office space available to us. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility

installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

On November 26, 2008, the Company's subsidiary, SolRayo, entered into a lease agreement with St. John's Properties, Inc. ("Landlord") for the leasing of approximately 1,500 square feet of industrial and office space located at 4005 Felland Road, Suite 107, Madison, Wisconsin. The term of the lease is three years beginning March 1, 2009 and rental payments are \$1,500 per month for the first year, \$1,545 per month for the second year and \$1,591 for the third year. In addition, the Company was required to pay to the Landlord upon commencement of the lease a security deposit of \$1,500. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

As of March 31, 2009, total rent expense approximated \$132,853.

#### 7. INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes," which requires use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the current enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

For the period ended March 31, 2009, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At March 31, 2009, the Company had approximately \$3,282,419 of accumulated federal and state net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2026.

The components of the Company's deferred tax asset are as follows:

	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	March 17, 2005 (Inception) through March 31, 2006
Deferred tax assets:				
Net operating loss carryforwards	\$ 369,227	\$ 339,371	\$ 219,983	\$ 187,573
Total deferred tax assets	369,227	339,371	219,983	187,573
Deferred tax liabilities:				
Depreciation	--	--	--	--
Net deferred tax assets before valuation allowance	369,227	339,371	219,983	187,573
Less: Valuation allowance	(369,227)	(339,371)	(219,983)	(187,573)
Net deferred tax assets	\$ -	\$ -	\$ -	\$ -

For financial reporting, the Company has incurred a loss since inception to March 31, 2009. Based on the available objective evidence, including the Company's history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at March 31, 2009.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007	March 17, 2005 (Inception) through March 31, 2006
Change in valuation allowance on deferred tax assets	\$ 29,856	\$ 119,388	\$ 39,391	\$ 180,592
Total deferred tax assets	<u>(29,856)</u>	<u>(119,388)</u>	<u>(39,391)</u>	<u>(180,592)</u>
Total income tax benefit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#### 8. RELATED PARTY TRANSACTIONS

At March 31, 2009, the Company recorded owing \$541,658 to related parties -- \$505,003 payable within 12 months and \$36,655 recorded under long term liabilities. Of the total amount, \$310,743 was owed for services rendered to the Company and \$230,915 was recorded for outstanding loans to the Company. Both are summarized below.

##### *Services*

The Company owed \$310,743 to stockholders for services to the Company. Of this amount, \$280,546 was owed to seven shareholders for consulting services rendered to the Company. In addition, the Company owed a total of \$30,197 to Board members for services rendered.

##### *Loans*

The Company had four outstanding loans payable to shareholders on March 31, 2009. They are summarized as follows:

The first loan was for \$40,000 at 13% interest per annum for a term of 24 months. The lender also received warrants to purchase 1,000,000 restricted shares of common stock. Proceeds of \$40,000 were allocated to the warrants based on their estimated fair value (utilizing the Black-Scholes method) and credited to additional paid-in capital. This amount is reflected as a discount against the notes payable and will be amortized to interest expense over the life of the note. The Company is required to make monthly payments of \$1,905 for 24 months. Interest on this loan totals \$5,721. As of March 31, 2009 the Company had made twelve payments on this loan totaling \$22,861 (\$18,671 toward principal and \$4,190 toward interest). Total principal remaining on this loan on March 31, 2009 was \$22,440, which included \$1,110 in past due interest. Total unamortized discount totaled \$11,009.17.

The second loan was for \$240,000 at 13% interest per annum for a term of 30 months. The Company is required to make monthly payments of \$9,413.17 for 30 months. Interest on this loan totals \$42,395. As of March 31, 2009 the Company had made seven payments on this loan totaling \$65,899 (\$49,277 toward principal and \$16,623 toward interest). The total principal remaining on this loan, including past due interest, on March 31, 2009 was \$208,485.

The other two loans were from Board members, at no interest, totaling \$11,000. Repayment for both loans is due June 30, 2009.

9. OTHER

Employment Contract – During March 2005, the Company entered into an Executive Employment Agreement (the “Employment Agreement”) with its President and Chief Executive Officer. The initial term of the Employment Agreement commenced in March 15, 2005 and ended on March 31, 2006. The Employment Agreement was extended on March 31, 2006 for one additional year, and expired on March 31, 2007. Pursuant to the Employment Agreement, the Chief Executive Officer is owed an annual base salary of \$150,000 for his service during the term of the Employment Agreement. This amount is payable in any combination of cash, common stock or options to purchase common stock as agreed to by Employee and Company. Additionally, the Chief Executive Officer will receive annual compensation of no less than 250,000 options to purchase the Company’s common stock, payable in equal increments on a quarterly basis and fully vested. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

10. SUBSEQUENT EVENTS

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allows each stockholder on that date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflect that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements are non-transferable, there are no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contain no rights as a shareholder prior to exercise and all stockholders receiving the warrants are required to comply with any Securities Act requirements upon exercise.

The warrants were mailed out to stockholders beginning May 20, 2009.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company’s Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 931,945 shares to three investors for services valued at \$8,825. Also, the Company issued 868,055 shares to an investor as payment for prepaid services valued at \$,9,375 to be performed between July 2009 and February 17, 2010, which will be amortized over the period.

Finally during June 2009, an aggregate of 163,150 shares were issued to 28 shareholders pursuant to the exercise of warrants for proceeds of \$2,480.

**For the fiscal year ending March 31, 2008**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders  
Enable IPC Corporation  
(A Development Stage Company)  
Valencia, California

We have audited the accompanying balance sheet of Enable IPC Corporation (A Development Stage Company) as of March 31, 2008, and the related statements of operations, stockholders' deficit, and cash flows for the years ended March 31, 2008 and 2007 and for the period from March 17, 2005 (Inception) through March 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enable IPC Corporation as of March 31, 2008, and the results of its activities and cash flows for the years ended March 31, 2008 and 2007 and for the period from March 17, 2005 (Inception) through March 31, 2008 in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's recurring losses from operations and requirement for additional funding raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ LL Bradford & Company, LLC  
L.L. Bradford & Company, LLC  
June 25, 2008  
Las Vegas, Nevada

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
BALANCE SHEET  
MARCH 31, 2008

ASSETS	
Current assets	
Cash	\$ 40,171
Prepaid expenses due within 12 months	28,760
Total current assets	<u>68,931</u>
Fixed assets, net	11,283
Intangible assets, net	<u>735,064</u>
Total assets	<u>\$ 815,278</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities	
Accounts payable	\$ 22,626
Accrued expenses and other current liabilities	177,470
Other liability	25,000
Due to stockholders	477,081
Total current liabilities	<u>702,177</u>
Long-term liabilities	
Due to stockholder	129,929
Present value of minimum royalty payments	177,150
Total long term liabilities	<u>307,079</u>
Total liabilities	1,009,256
Commitments and contingencies	
Stockholders' deficit	
Preferred stock; par value \$0.001; 10,000,000 shares authorized; no shares issued and outstanding	-
Common stock; \$0.001 par value; 50,000,000 shares authorized; 28,678,996 shares issued and outstanding	28,679
Additional paid-in capital	2,005,150
Additional paid-in capital -- warrants	88,000
Prepaid services paid in common stock	(119,082)
Accumulated deficit	(2,196,725)
Total stockholders' deficit	<u>(193,978)</u>
Total liabilities and stockholders' deficit	<u>\$ 815,278</u>

See Accompanying Notes to Financial Statement

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF OPERATIONS

	Year ended March 31, 2008	Year ended March 31, 2007	March 17, 2005 (Inception) through March 31, 2008
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues	\$ -	\$ -	\$ -
Operating expenses			
General and administrative expenses			
Legal and professional fees	245,038	92,003	392,400
Wages and salaries	150,000	150,000	457,407
Research and development	183,180	141,191	466,966
Other general and administrative	311,417	197,361	644,224
Total general and administrative expenses	<u>889,635</u>	<u>580,555</u>	<u>1,960,997</u>
Loss from operations	(889,635)	(580,555)	(1,960,997)
Interest expense	<u>(108,517)</u>	<u>(64,830)</u>	<u>(234,225)</u>
Loss before provision for income taxes	(998,152)	(645,385)	(2,195,222)
Provision for income taxes	<u>-</u>	<u>(1,503)</u>	<u>(1,503)</u>
Net loss	<u>\$ (998,152)</u>	<u>\$ (646,888)</u>	<u>\$ (2,196,725)</u>
Basic and diluted loss per common share	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>	<u>\$ (0.15)</u>
Basic and diluted weighted average common shares outstanding	<u>23,238,366</u>	<u>12,425,274</u>	<u>14,726,674</u>

See Accompanying Notes to Financial Statement

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional Paid-In capital	Ppd svcs pd in Common Stock	Accumulated Deficit	Stockholders Deficit
	Shares	Amount				
Balance at March 17, 2005 (date of inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued for cash	2,546,216	2,546	10,185	-	-	12,731
Common stock issued for office supplies	521,584	522	2,086	-	-	2,608
Common stock issued for patent assignment related to Technology and Patent Agreement	2,000,000	2,000	8,000	-	-	10,000
Common stock issued for fixed assets	2,780,200	2,780	11,121	-	-	13,901
Common stock issued for services	1,000,000	1,000	4,000	-	-	5,000
Net loss	-	--	-	-	(20,533)	(20,533)
Balance at March 31, 2005	8,848,000	8,848	35,392	-	(20,533)	23,707
Common stock issued for cash	2,807,000	2,807	265,593	-	-	268,400
Net loss	-	-	-	-	(531,152)	(531,151)
Balance at March 31, 2006	11,655,000	11,655	300,985	-	(551,685)	(239,045)
Common stock issued for cash	3,017,497	3,017	195,906	-	-	198,923
Common stock issued for services	150,000	150	10,350	-	-	10,500
Common stock issued in satisfaction of due to stockholders	100,000	100	6,900	-	-	7,000

Continued on next page

Net loss	-	-	-	-	(646,888)	(646,888)
Balance at March 31, 2007	14,922,497	14,922	514,141	-	(1,198,573)	(669,510)
Common stock issued for cash	9,442,500	9,443	302,645	-	-	312,088
Common stock issued for services	3,599,641	3,600	292,579	-	-	296,179
Common stock issued for prepaid services	1,500,000	1,500	143,500	(145,000)	-	-
Common stock reacquired	(1,500,000)	(1,500)	1,500	-	-	-
Common stock issued in satisfaction of due to stockholders	714,358	714	64,291	-	-	65,005
Warrants issued in conjunction with due to related parties	-	-	88,000	-	-	88,000
Increase in additional paid-in capital due to amendment to Technology and Patent Assignment	-	-	686,494	-	-	686,494
Amortization of prepaid services	-	-	-	25,918	-	25,918
Net loss	-	-	-	-	(998,152)	(998,152)
Balance at March 31, 2008	<u>28,678,996</u>	<u>\$ 28,679</u>	<u>\$ 2,093,150</u>	<u>\$ (119,082)</u>	<u>\$ (2,196,725)</u>	<u>\$ (193,978)</u>

See Accompanying Notes to Financial Statement

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
STATEMENTS OF CASH FLOWS

	<u>Year ended March 31, 2008</u>	<u>Year ended March 31, 2007</u>	<u>March 17, 2005 (Inception) through March 31, 2008</u>
Cash flows from operating activities			
Net loss	\$ (998,152)	\$ (646,888)	\$ (2,196,725)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	36,159	34,218	104,276
Stock-based compensation	322,097	10,500	337,597
Stock based comp. related to office supplies	-	-	2,608
Interest accrued on PV of min royalty payments	74,475	63,471	198,795
Changes in operating assets and liabilities:			
Prepaid expenses	(9,576)	(8,645)	(28,760)
Other receivable	240	(240)	-
Accounts payable	(62,059)	13,701	36,558
Accrued liabilities	(39,083)	216,554	280,907
Net cash used by operating activities	<u>(675,899)</u>	<u>(317,329)</u>	<u>(1,264,744)</u>
Cash flows from investing activities			
Purchase of fixed assets	(37,159)	-	(37,159)
Purchase of intangible assets	(1,473)	-	(9,714)
Net cash used by investing activities	<u>(38,632)</u>	<u>-</u>	<u>(46,873)</u>
Cash flows from financing activities			
Issuance of common stock for cash	312,088	198,923	792,142
Change in due to stockholders	420,701	138,945	559,646
Net cash provided by financing activities	<u>732,789</u>	<u>337,868</u>	<u>1,351,788</u>
Net change in cash	18,258	20,539	40,171
Beginning balance, April 1	<u>21,913</u>	<u>1,374</u>	<u>-</u>
Ending balance	<u>\$ 40,171</u>	<u>\$ 21,913</u>	<u>\$ 40,171</u>
Schedule of non-cash investing and financing activities			
Purchase of intangible assets			
Issuance of 2,000,000 shares related to Technology and Patent assignment	\$ -	\$ -	\$ 10,000
Other liability for license fee for patent relating to ultracapacitor technology from the University of Wisconsin (WARF)	25,000	-	25,000
Present value of minimum annual royalty payments related to license from WARF	<u>170,992</u>	<u>-</u>	<u>170,992</u>

Continued on next page

	<u>\$ 195,992</u>	<u>\$ -</u>	<u>\$ 205,992</u>
Issuance of warrants in conjunction with due to stockholders	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 88,000</u>
Issuance of common stock in satisfaction of due to stockholders	<u>\$ 65,005</u>	<u>\$ 7,000</u>	<u>\$ 72,005</u>
Amendment to Technology and Patent Assignment	<u>\$ 686,494</u>	<u>\$ -</u>	<u>\$ 686,494</u>
Supplemental disclosure for			
Cash paid for			
Interest	<u>\$ 35,204</u>	<u>\$ 190</u>	<u>\$ 35,394</u>
Income taxes	<u>\$ -</u>	<u>\$ 843</u>	<u>\$ 843</u>

See Accompanying Notes to Financial Statement

ENABLE IPC CORPORATION  
(A DEVELOPMENT STAGE COMPANY)  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2008

1. DESCRIPTION OF BUSINESS, HISTORY AND SUMMARY OF SIGNIFICANT POLICIES

Description of business – Enable IPC Corporation (hereinafter referred to as the “Company”) is a development stage company incorporated on March 17, 2005 under the laws of the state of Delaware.

Enable IPC is engaged in the development of new power technologies that combine thin films and nanotechnology. Enable IPC (Intellectual Property Commercialization) will use these breakthroughs to manufacture microbatteries on microscopically thin film (which are expected to be smaller, cheaper, last longer, and more environmentally friendly than today's standard batteries) and ultracapacitors on standard carbon sheets impregnated with nanoparticles.

Going concern – The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the development stage, has no operating revenue and incurred a net loss of approximately \$2,196,725 for the period from March 17, 2005 (Date of Inception) through March 31, 2008. The Company's management is in the process of raising additional capital for the Company. As part of this effort, the Company issued the following common stock and warrants:

During the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400.

In September 2005, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 250,000 shares of common stock at an exercise price of \$0.01 per share, all of which had been exercised as of March 31, 2008 for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this annual report.

In April 2007, the Company issued an aggregate of 106,153 shares of common stock to two companies for services valued at \$13,760.

In May 2007, the Company issued an aggregate of 2,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$350 in offering costs.

In June 2007, the Company issued 2,500,000 shares of common stock to a private investor for proceeds of \$50,000, less \$550 in offering costs.

In August 2007, the Company issued an aggregate of 214,358 shares of common stock to repay loans totaling \$15,005, an aggregate of 1,459,688 shares of common stock for services valued at \$69,800 and an aggregate of 200,000 shares of common stock to two private investors for cash proceeds of \$8,000. Also in August 2007, the Company issued to two private investors warrants to purchase an aggregate of 2,250,000 shares of common stock at an exercise price of \$0.04 per share, 50,000 of which had been exercised as of March 31, 2008 for proceeds of \$2,000.

In September 2007, the Company issued an aggregate of 500,000 shares of common stock for services valued at \$20,000 and an aggregate of 1,030,000 shares of common stock to two private investors for cash proceeds of \$51,500 less offering costs of \$2,500.

In October 2007, the Company issued an aggregate of 1,076,190 shares of common stock to two private investors for services valued at \$142,000.

In November 2007, the Company issued 50,000 shares of common stock to a private investor for proceeds of \$10,000, less offering costs of \$13.

In December 2007, the Company issued an aggregate of 1,000,000 shares of common stock to a private investor for proceeds of \$40,000. Also in December 2007, the Company issued an aggregate of 140,910 shares of its common stock to four private investors for services valued at \$17,000 and 1,000,000 shares of its common stock for prepaid services valued at \$100,000 to be performed between January 1 and December 31, 2008, which will be amortized over the period.

In January 2008 the Company reacquired an aggregate of 1,500,000 shares from a shareholder.

In February 2008 the Company issued an aggregate of 612,500 shares of common stock to 13 private investors for proceeds of \$24,500. Also in February 2008, the Company issued 316,700 shares to three investors for services valued at \$31,670, and 500,000 shares to repay loans totaling \$50,000.

In March 2008 the Company issued 1,250,000 shares to an investor for proceeds of \$50,000. In addition, the Company issued 500,000 shares to four investors for prepaid services valued at \$45,000 to be performed between March 15, 2008 and March 31, 2010, which will be amortized over the period.

These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

Definition of fiscal year – The Company's fiscal year end is March 31.

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

Cash – The Company places its cash with high quality institutions. Accounts at each institution are insured up to \$100,000 by the Federal Deposit Insurance Corporation. As of March 31, 2008, the Company has no uninsured cash balance.

Fixed assets – Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Intangible assets – Intangible assets are amortized principally on the straight-line method over their useful lives of 20 years.

The Company evaluates the remaining useful life of the intangible asset being amortized annually to determine whether events and circumstances warrant a revision to the remaining period of amortization. If the estimate of the intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over that revised remaining useful life. If the intangible asset being amortized is subsequently determined to have an indefinite useful life, the asset will no longer be amortized and will be accounted for in the same manner as other intangible assets that are not subject to amortization.

Research and development – The Company expects to make substantial investments in research and development in order to develop and market our technology. Research and development costs consist primarily of consulting fees related to research and development activities and laboratory supplies. The Company expenses research and development costs as incurred. Property, plant and equipment for research and development that have an alternative future use are capitalized and the related depreciation is expensed as research and development costs. Property, plant and equipment for research and development that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The costs of intangibles that are purchased from others for use in research and development activities and that have alternative future uses in research and development projects or otherwise are capitalized and amortized as intangible assets. The amortization of those intangible assets used in research and development activities is a research and development cost. Costs of intangibles that are purchased from others for a particular research and development project and that have no alternative future uses in other research and development projects or otherwise are research and development costs at the time the costs are incurred. The Company expects our research and development expense to increase as we continue to invest in the development of our technology.

Income taxes – The Company accounts for its income taxes in accordance with Statement of Financial Accounting Standards No. 109, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-based compensation – On April 1, 2006, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), “Share-Based Payment,” requiring the Company to recognize expense related to the fair value of its employee stock option awards. The Company recognizes the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

From inception to March 31, 2008, the Company has granted no warrants or options to employees. Accordingly, the adoption of SFAS No. 123 (R) did not impact the financial statements.

Fair value of financial instruments - The carrying amounts and estimated fair values of the Company’s financial instruments approximate their fair value due to the short-term nature.

Earnings (loss) per common share – Basic earnings (loss) per share excludes any dilutive effects of options, warrants and convertible securities. Basic earnings (loss) per share is computed using the weighted-average number of outstanding common shares during the applicable period. Diluted earnings (loss) per share is computed using the weighted average number of common and common stock equivalent shares outstanding during the period. Common stock equivalent shares are excluded from the computation if their effect is antidilutive.

New accounting pronouncements – In July 2006, FASB issued Financial Accounting Standards Interpretation No. 48 (“FIN 48”), “Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109.” FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a company’s income tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 utilizes a two-step approach for evaluating tax positions. Step one, *Recognition*, occurs when a company concludes that a tax position is more likely than not to be sustained upon examination, Step two, *Measurement*, is based on the largest amount of benefit, which is more likely than not to be realized on ultimate settlement. FIN 48 is effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle to be recorded as an adjustment to the beginning balance of retained earnings and therefore are effective for the Company in the first quarter of fiscal 2008. The adoption of FIN 48 did not have a significant impact on its consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) 157, “Fair Value Measurements.” SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this Statement does not require any new fair value measurements. However, for some entities, the application of SFAS 157 will change current practice. The provisions of SFAS 157 are effective as of the beginning of the Company’s 2009 fiscal year. The Company is currently evaluating the impact of SFAS 157, but does not expect the adoption of SFAS 157 to have a material impact on its consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” which expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating SFAS 159 to determine its impact on its consolidated financial position, results of operations or cash flows.

2. FIXED ASSETS

A summary of fixed assets as of March 31, 2008 are as follows:

Office equipment	\$ 17,688
Office furniture	<u>5,927</u>
	23,615
Less: accumulated depreciation	<u>(12,332)</u>
Fixed assets, net	<u>\$ 11,283</u>

3. INTANGIBLE ASSETS

A summary of intangible assets as of March 31, 2008 is as follows:

Microbattery patent	\$ 593,857
Ultracapacitor patent license	<u>233,153</u>
	827,010
Less: accumulated amortization	<u>(91,946)</u>
Intangible assets, net	<u>\$ 735,064</u>

The microbattery patent value of \$593,857 consists of 2,000,000 shares of the Company’s stock of \$0.001 par value totaling \$10,000 plus the present value of minimum annual royalty payments under an original agreement (see Note 4). The ultracapacitor patent license consists of the present value of minimum annual royalty payments (See Note 4) totaling \$170,956, \$50,000 in initial license fees and \$12,197 in patent costs.

4. PRESENT VALUE OF MINIMUM ROYALTY PAYMENTS, NET AND GAIN ON AMENDMENT TO TECHNOLOGY AND PATENT ASSIGNMENT

Microbattery

The Company had entered into a Technology and Patent Assignment Agreement (“Assignment Agreement”) which granted the Company proprietary rights from the technology’s inventor, Dr., Sung H. Choi. in consideration for royalties equal to 5% of the net sales of the product plus an annual royalty of five percent of net sales of the products resulting from the technology. The combined royalty amounts in any single calendar year must be at least equal to the amount shown in the schedule below, or else the 5% royalty shall not be paid, and instead the minimum annual amount shall be paid.

These minimum annual royalty payments were as follows:

2006	\$ 10,000
2007	\$ 15,000
2008	\$ 20,000
2009	\$ 45,000
2010	\$ 75,000
Thereafter	<u>\$1,500,000</u>
	<u>\$1,665,000</u>

In March 2008, Dr. Choi and the Company agreed to amend the Assignment Agreement, canceling the future minimum annual royalty payments (amounting to \$1,665,000 over the life of the patent) in exchange for changing the initial fee from 2,000,000 shares of the Company's stock, valued at \$10,000, to \$100,000, payable with 2,000,000 shares of the Company's stock previously issued to Dr. Choi plus \$90,000. As of March 31, 2008, the Company had not made the remaining \$90,000 initial license fee payment. Dr. Choi has agreed to defer payment until such time as the Company has sufficient funds. In addition, the royalty rate on future product sales increased to 7.5% of net sales.

This amendment lowered the present value of the minimum annual royalty payment liability and increased additional paid-in capital by an aggregate of \$686,494.

#### Ultracapacitor

The Company has entered into an Exclusive License Agreement ("License Agreement") granting the Company proprietary rights from the owner of the technology, the Wisconsin Alumni Research Foundation ("WARF"), in consideration for an initial license fee of \$50,000, reimbursement of WARF's patent costs (\$12,971) and royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

The Company recorded the present value of the above royalty payments totaling \$170,955 (assuming a 10% per annum imputed interest rate) as part of the value of the intangible asset. As of March 31, 2008 the present value of minimum royalty payments, net is as follows:

Present value of minimum royalty payments	\$ 170,992
Plus: Accrued interest on minimum royalty payments	<u>6,158</u>
Present value of minimum royalty payments, net	<u>\$ 177,150</u>

#### 5. COMMON STOCK

During March 2005, the Company entered into a Technology and Patent Assignment Agreement ("Agreement") with Sung H. Choi, to acquire certain technologies used in the business of Enable. In accordance with the Agreement, the Company issued 2,000,000 shares of the Company's common stock totaling \$10,000 in exchange for all Proprietary rights under the Agreement.

During March 2005, the Company issued 1,000,000 shares of its common stock totaling \$5,000 to the board for services rendered.

During March 2005, the Company issued 2,546,217 shares of its common stock to the founders of the Company for cash totaling \$12,731.

During March 2005, the Company issued 2,780,200 shares of its common stock to the founders of the Company for fixed assets totaling \$13,901.

During March 2005, the Company issued 521,584 shares of its common stock to the founders of the Company for miscellaneous supplies totaling \$2608.

During July 2005, the Company issued 162,000 shares of its common stock for cash totaling \$18,000.

During July 2005 the Company issued a series of six warrants to a private investor to purchase an aggregate of 900,000 shares of common stock at an exercise price of \$0.10 per share. Each warrant was for 150,000 shares, and the warrants expired at the rate of 150,000 shares per month commencing in August 2005 and ending January 31, 2006. All 900,000 shares of common stock

have been issued through the exercise of those warrants, for proceeds of \$90,000, as discussed in the following paragraphs.

During August 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During September 2005, the Company issued 1,275,000 shares of its common stock for cash totaling \$127,500. As part of the financing, the Company issued a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share. Also, in September 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During October 2005, the Company issued 150,000 shares of its common stock related to the exercise of warrants for cash totaling \$15,000.

During February 2006, the Company issued an aggregate of 200,000 shares of common stock for cash totaling \$14,000 and 450,000 shares of its common stock related to the exercise of warrants for cash totaling \$45,000.

During March 2006, the Company issued an aggregate of 270,000 shares of common stock for proceeds of \$18,900.

During April 2006, the Company issued an aggregate of 200,000 shares of common stock to a private investor for proceeds of \$14,000.

During July 2006, the Company issued an aggregate of 114,286 shares of common stock to two private investors for proceeds of \$8,000.

During September 2006, the Company issued an aggregate of 285,714 shares of common stock to two private investors for proceeds of \$20,000, less \$350 in offering costs.

During October 2006, the Company issued an aggregate of 152,497 shares of common stock to two private investors for proceeds of \$10,675, less \$350 in offering costs, and 150,000 shares of common stock to two companies for services valued at an aggregate of \$10,500.

During November 2006, the Company issued an aggregate of 65,000 shares of common stock to a private investor for proceeds of \$4,550, less \$350 in offering costs, and 100,000 shares of common stock to two individuals to repay the principal on loans totaling \$7,000.

During February 2007, the Company issued an aggregate of 700,000 shares of common stock to two private investors for proceeds of \$70,000, less \$1429 in offering costs. In addition, the Company issued a warrant to one of the private investors to purchase 250,000 shares of common stock at an exercise price of \$0.10 per share and a warrant to the other private investor to purchase 100,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of March 31, 2008.

During March 2007, the Company issued an aggregate of 1,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$823 in offering costs.

In April 2007, the Company issued an aggregate of 106,153 shares of common stock to two companies for services valued at \$13,760.

In May 2007, the Company issued an aggregate of 2,500,000 shares of common stock to a private investor for proceeds of \$75,000, less \$350 in offering costs.

In June 2007, the Company issued 2,500,000 shares of common stock to a private investor for proceeds of \$50,000, less \$550 in offering costs.

In August 2007, the Company issued an aggregate of 214,358 shares of common stock to repay loans totaling \$15,005, an aggregate of 1,459,688 shares of common stock for services valued at \$69,800 and an aggregate of 200,000 shares of common stock to two private investors for cash proceeds of \$8,000. Also in August 2007, the Company issued to two private investors warrants to purchase an aggregate of 2,250,000 shares of common stock at an exercise price of \$0.04 per share, 50,000 of which had been exercised as of March 31, 2008 for proceeds of \$2,000.

In September 2007, the Company issued an aggregate of 500,000 shares of common stock for services valued at \$20,000 and an aggregate of 1,030,000 shares of common stock to two private investors for cash proceeds of \$51,500 less offering costs of \$2,500.

In October 2007, the Company issued an aggregate of 1,076,190 shares of common stock to two private investors for services valued at \$142,000.

In November 2007, the Company issued 50,000 shares of common stock to a private investor for proceeds of \$10,000, less offering costs of \$13.

In December 2007, the Company issued an aggregate of 1,000,000 shares of common stock to a private investor for proceeds of \$40,000. Also in December 2007, the Company issued an aggregate of 140,910 shares of its common stock to four private investors for services valued at \$17,000 and 1,000,000 shares of its common stock for prepaid services valued at \$100,000 to be performed between January 1 and December 31, 2008, which will be amortized over the period.

In January 2008 the Company reacquired an aggregate of 1,500,000 shares from a previous investor under the terms of an agreement in which the investor agreed to waive his rights to register additional shares of stock under his control and rescind a previous Stock Purchase Agreement.

In February 2008 the Company issued an aggregate of 612,500 shares of common stock to 13 private investors for proceeds of \$24,500. Also in February 2008, the Company issued 316,700 shares to three investors for services valued at \$31,670, and 500,000 shares to repay loans totaling \$50,000.

In March 2008 the Company issued 1,250,000 shares to an investor for proceeds of \$50,000. In addition, the Company issued 500,000 shares to four investors for prepaid services valued at \$45,000 to be performed between March 15, 2008 and March 31, 2010, which will be amortized over the period.

## 6. COMMITMENTS AND CONTINGENCIES

Consulting agreements – In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for a period of twelve months in consideration of an hourly fee of \$75 and 250,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In March 2005, the Company entered into a consulting agreement with an individual to provide consultant services for twelve months in consideration of an hourly fee of \$75 and 150,000 qualified stock options. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

In December 2007 the Company entered into a consulting agreement with a company to provide consultant services for a period of twelve months beginning January 1, 2008 and ending December 31, 2008 for a fee of 1,000,000 shares of common stock valued at \$100,000. The amount is being amortized over the period. As of March 31, 2008, \$25,000 was charged to consulting expense and \$75,000 remained in prepaid services paid in common stock.

In March 2008 the Company entered into consulting agreements with four individuals to provide consulting services as members of the Company's Technical Advisory Committee for fees totaling 500,000 shares of common stock valued at \$45,000. The agreements called for these services to begin on March 15, 2008 and end on March 31, 2010. The amounts are being amortized over the period. As of March 31, 2008, \$918 was charged to consulting expense and \$44,082 remained in prepaid services paid in common stock.

Royalties – The Company has entered into an amended Technology and Patent Assignment Agreement (“Assignment Agreement”) granting the Company proprietary rights in consideration for royalties equal to 7.5% of the net sales of the product. As of March 31, 2008, no royalties have been paid.

The Company has entered into an Exclusive License Agreement (“License Agreement”) granting the Company proprietary rights in consideration for royalties equal to 5% of the net sales of the product, beginning in calendar year 2010. The combined royalty amounts in any single calendar year must be at least equal to \$25,000, or else the 5% royalty shall not be paid, and instead \$25,000 shall be paid.

Leased facility – The Company’s two-year lease expired on December 31, 2007. Since that time the Company has rented its facility on a month-to-month basis. The first year, the lease called for monthly payments of \$3,168. In the second year, the lease called for a rent of \$3,295 per month. Beginning January 2008, the month-to-month rent was \$3,479. As of March 31, 2008, total rent expense for the facility approximated \$83,167.

7. INCOME TAXES

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109 (SFAS No. 109), “Accounting for Income Taxes,” which requires use of the liability method. SFAS No. 109 provides that deferred tax assets and liabilities are recorded based on the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the current enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

For the period ended March 31, 2008, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At March 31, 2008, the Company had approximately \$2,196,725 of accumulated federal and state net operating losses. The net operating loss carryforwards, if not utilized, will begin to expire in 2026.

The components of the Company’s deferred tax asset are as follows:

	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006	March 17, 2005 (Inception) through March 31, 2005
Deferred tax assets:				
Net operating loss carryforwards	\$ 339,371	\$ 219,983	\$ 180,592	\$ 6,981
Total deferred tax assets	339,371	219,983	180,592	6,981
Deferred tax liabilities:				
Depreciation	--	--	--	--
Net deferred tax assets before valuation allowance	339,371	219,983	180,592	6,981
Less: Valuation allowance	(339,371)	(219,983)	(180,592)	(6,981)
Net deferred tax assets	\$ --	\$ --	\$ --	\$ --

For financial reporting, the Company has incurred a loss since inception to March 31, 2008. Based on the available objective evidence, including the Company’s history of its loss, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at March 31, 2008.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and State statutory income tax rate to pre-tax loss is as follows:

	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2006	March 17, 2005 (Inception) through March 31, 2005
Change in valuation allowance on deferred tax assets	\$ 119,388	\$ 39,391	\$ 173,611	\$ 6,981
Total deferred tax assets	<u>(119,388)</u>	<u>(39,391)</u>	<u>(173,611)</u>	<u>(6,981)</u>
Total income tax benefit	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

#### 8. RELATED PARTY TRANSACTIONS

At March 31, 2008, the Company recorded owing \$607,010 to related parties -- \$477,081 payable within 12 months and \$129,929 recorded under long term liabilities. Of the total amount, \$380,710 was owed for services rendered to the Company and \$226,300 was recorded for outstanding loans to the Company. Both are summarized below.

##### *Services*

The Company owed \$380,710 to stockholders for services to the Company. Of this amount, \$370,831 was owed to six shareholders for consulting services rendered to the Company. In addition, the Company owed a total of \$9,879 to Board members for services rendered.

##### *Loans*

The Company had three outstanding loans payable to shareholders on March 31, 2008. They are summarized as follows:

The first loan was for \$50,000 at 13% interest per annum for a term of 24 months. The lender also received warrants to purchase 1,250,000 restricted shares of common stock. Proceeds of \$50,000 were allocated to the warrants based on their estimated fair value (utilizing the Black-Scholes method) and credited to additional paid-in capital. This amount is reflected as a discount against the notes payable and will be amortized to interest expense over the life of the note. The Company is required to make monthly payments of \$2,377 for 24 months. Interest on this loan totals \$7,050. As of March 31, 2008 the Company had made seven payments on this loan totaling \$16,640 (\$13,274 toward principal and \$3,366 toward interest). Total principal remaining on this loan on March 31, 2008 was \$36,727. Total unamortized discount also totaled \$36,727.

The second loan was for \$40,000 at 13% interest per annum for a term of 24 months. The lender also received warrants to purchase 1,000,000 restricted shares of common stock. Proceeds of \$40,000 were allocated to the warrants based on their estimated fair value (utilizing the Black-Scholes method) and credited to additional paid-in capital. This amount is reflected as a discount against the notes payable and will be amortized to interest expense over the life of the note. The Company is required to make monthly payments of \$1,905 for 24 months. Interest on this loan totals \$5,721. As of March 31, 2008 the Company had made six payments on this loan totaling \$11,430 (\$8,997 toward principal and \$2,433 toward interest). Total principal remaining on this loan on March 31, 2008 was \$31,003. Total unamortized discount also totaled \$31,003.

The third loan was for \$240,000 at 13% interest per annum for a term of 30 months. The Company is required to make monthly payments of \$9,413.17 for 30 months. Interest on this loan totals \$42,395. As of March 31, 2008 the Company had made two payments on this loan totaling \$18,826 (\$13,700 toward principal and \$5,126 toward interest). The total principal remaining on this loan on March 31, 2008 was \$226,300.

#### 9. OTHER

Employment Contract – During March 2005, the Company entered into an Executive Employment Agreement (the “Employment Agreement”) with its President and Chief Executive Officer. The initial term of the Employment Agreement commenced in March 15, 2005 and ended on March 31, 2006. The Employment Agreement was extended on March 31, 2006 for one additional year, and expired

on March 31, 2007. Pursuant to the Employment Agreement, the Chief Executive Officer is owed an annual base salary of \$150,000 for his service during the term of the Employment Agreement. This amount is payable in any combination of cash, common stock or options to purchase common stock as agreed to by Employee and Company. Additionally, the Chief Executive Officer will receive annual compensation of no less than 250,000 options to purchase the Company's common stock, payable in equal increments on a quarterly basis and fully vested. The Company has not determined the grant date or exercise price; both will be determined at a future date. The issuance of these options will be in accordance with the Enable IPC Corporation 2007 Stock Incentive Plan, approved by the stockholders in the 2007 Annual Stockholders Meeting. This consulting agreement expired on March 31, 2006. The individual has agreed to continue to consult for the Company on an as-needed basis for an hourly fee of \$75 and no stock options.

10. SUBSEQUENT EVENTS

During April 2008, the Company issued an aggregate of 1,100,000 shares of common stock to two investors as payment for services valued at \$110,000. 900,000 of these shares went to Sung H. Choi in payment for the microbattery technology under the Amendment to Technology and Patent Assignment (see note 4).

During May 2008, the Company issued 1,250,000 shares of common stock to a private investor for proceeds of \$50,000. Also in May, the Company issued an aggregate of 435,000 shares of common stock to two investors as payment for services valued at \$27,700.

On May 27, 2008, the Company entered into a lease agreement with Meadows Stabe Properties, LLC ("Landlord") for the leasing of approximately 1,580 square feet of commercial office space located at 29033 Avenue Sherman, Unit 202, Valencia, California. The term of the lease is two years beginning June 1, 2008 and rental payments are \$2,000 per month for the first year and \$2,080 per month for the second year. In addition, we are to pay to the Landlord upon commencement of the lease a security deposit of \$4,000. Execution of this lease lowers our rental payments by approximately \$1,480 per month during the first year and increases the amount of office space available to us. There is no material relationship between us and the Landlord.

Under the terms of the lease, we are required to maintain insurance and to indemnify the Landlord for losses incurred that are related to our use or occupancy of the property. With certain exceptions, we are also required to maintain at our cost the property, utility installations used by us, such as the HVAC system, and alterations we make or fixtures we add to the property.

During June 2008, the Company issued 200,000 shares of common stock to an investor as payment for services valued at \$12,000.

**XIV: Beneficial Owners.**

<b>Shareholder Name and Address</b>	<b>Shares Beneficially Held</b>
Abraham Friedman 4005 Felland Road, Suite 107 Madison, WI 53718	15,000,000 (16%)
David Walker 4005 Felland Road, Suite 107 Madison, WI 53718	5,925,000 (6%)

**XV: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:**

**1. Investment Banker**

None

**2. Promoters**

None

**3. Counsel**

Timothy A. Lambirth  
Marcin Lambirth LP  
16830 Ventura Blvd.  
Suite 320  
Encino, CA 91436  
Email: tal@lambirthlaw.com

**4. Accountant or Auditor**

No outside auditor currently provides audit or review services. Management prepares and reviews the issuer's financial statements.

**5. Public Relations Consultant(s)**

Beachhead, LP  
14860 Montfort Dr., Suite 210  
Dallas, TX 75254

**6. Investor Relations Consultant**

Rich Kaiser  
Yes International  
3419 Virginia Beach Blvd., #252  
Virginia Beach, VA 23452  
Tel: (800) 631-8127

Email: ir@enableipc.com

**7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.**

None

**XVI: Management's Discussion and Analysis or Plan of Operation.**

**A. Plan of Operation.**

N/A

**B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*This report contains forward-looking statements including statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expects," "anticipates," "intends," "believes" or similar language. These forward-looking statements involve risks, uncertainties and other factors. All forward-looking statements included in this annual report are based on information available to us on the date hereof and speak only as of the date hereof. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. The factors discussed above under "Risk Factors" and elsewhere in this annual report are among those factors that in some cases have affected our results and could cause the actual results to differ materially from those projected in the forward-looking statements.*

The following discussion should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this annual report.

**Overview**

This discussion is intended to supplement, and should be read in conjunction with, our financial statements and the accompanying notes to the financial statements.

We were incorporated in March 2005 to develop and commercialize rechargeable batteries for use in low power applications. One of our products will be a thin film lithium battery. A patent application covering this technology was assigned to us in March 2005 by Dr. Sung H. Choi, our Technical Advisor and a principal stockholder. This product is in the very earliest stage of development.

In addition, we have entered into an Exclusive License Agreement with the Wisconsin Alumni Research Foundation (the licensing arm of the University of Wisconsin) which will allow us to eventually commercialize and sell an ultracapacitor technology. We believe this technology will allow us to make ultracapacitors which will complement our microbattery as well as meet performance specifications for existing consumer products, and possibly industrial and transportation products. We currently anticipate that our ultracapacitors will be our initial products, but do not have an estimated launch date.

In October 2008 we acquired a controlling interest in SolRayo, a Wisconsin-based company that was founded and operated by one of the inventors of our ultracapacitor technology.

Also in October 2008, SolRayo was awarded a \$250,000 grant from the State of Wisconsin's Energy Independence Fund for the purpose of developing and commercializing the Company's ultracapacitor technology. As part of this, the Company developed and built a potentiostat system, which measures the performance of energy devices (e.g., batteries, capacitors, fuel cells, solar cells, etc.). In January 2010, SolRayo began offering its potentiostat systems for sale to companies, universities and research labs.

In June 2010, we were notified that we had been awarded a grant from the National Science Foundation's SBIR/STTR Program to conduct research into "Using Nanoparticle Oxide Coatings to Increase Cycle Life of Cathode Materials for Li-Ion Batteries". The work will be performed under the guidance of the Company's subsidiary, SolRayo's Director of Battery R&D, Dr. Walter Zeltner, who will serve as principal investigator, and will be accomplished in collaboration with the University of Wisconsin. The award will provide funding from July 1, 2010 through June 30, 2011.

To date, we have commenced business operations and have realized some limited income. We have funded our operations through this income, private placements of equity and loans and contributions from our founders. We have incurred a net loss from operations from inception through June 30, 2010, of approximately \$3,897,885.

## **Results of Operations**

### *Quarter Ended June 30, 2010 Compared to Quarter Ended June 30, 2009*

Revenues. We generated a total of \$2,758 in sales revenue in the quarter ended June 30, 2010, compared with none during the quarter ended June 30, 2009. We are just commencing product sales to a limited degree and anticipate revenue increases in the coming quarters. However, there can be no assurance that we will ever receive additional revenues or reach profitability.

General and Administrative Expenses. General and administrative expenses for the quarter ended June 30, 2010 were \$113,839, significantly lower than the \$172,133 expended for general and administrative expenses during the same period in 2009. The general and administrative expenses for the quarter ended June 30, 2010 included \$54,923 in wages and salaries, higher the \$39,720 in wage expense for the quarter ended June 30, 2009 due to the addition of part time personnel. In the quarter ended June 30, 2010, we also incurred \$7,313 in legal and professional expenses, an increase from the \$3,107 in legal and professional expenses for the quarter ended June 30, 2009. The higher expenses in this category were primarily due to increases in legal and negotiations activities. We had \$28,760 in research and development expenses for the quarter ended June 30, 2010, a significant decrease from \$80,120 in research and development expenses for the quarter ended June 30, 2009. This decrease was due to the end of the grant activity from the Wisconsin Energy Independence Fund.

We incurred \$22,843 in other expenses during the quarter ended June 30, 2010, a decrease from the \$49,186 in other expenses we incurred for the quarter ended June 30, 2009. These 2010 expenses consisted of: \$4,787 in rent expenses, a decrease from the \$8,585 for the same period in 2009 due to the closing of our office in Valencia and consolidation of operations in Madison; \$1,500 in consulting services, a decrease from \$20,055 for the same period in 2009 due to a large decrease in the number and work load of consultants since the end of the Wisconsin Energy Independence Fund grant activity; \$3,778 in utilities and telephone expenses, a decrease from \$4,139 for the same period in 2009 due to the consolidation of our offices; \$1,636 in other expenses, a decrease from \$5,519 for the same period in 2009 mostly attributable to cost savings from our consolidation to Madison and the end of our activities under the Wisconsin Energy Independence Fund grant; and \$11,142 in depreciation and

amortization expense, compared with \$10,938 for the quarter ended June 30, 2009. We anticipate that as revenues increase, and we ramp up our operations, our general and administrative expenses will continue to increase significantly.

Net Loss. As a result of the foregoing factors, our net loss was \$109,679, less than \$0.01 per share, for the quarter ended June 30, 2010. This loss is significantly less than the net loss of \$138,261, also less than \$0.01 per share, for the quarter ended June 30, 2009.

#### *Year Ended March 31, 2010 Compared to Year Ended March 31, 2009*

Revenues. We generated a total of \$45,906 in sales revenue in the year ended March 31, 2010, compared with \$59,231 generated during the year ended March 31, 2009. We are just commencing product sales to a limited degree and anticipate revenue increases in the coming years. However, there can be no assurance that we will ever receive additional revenues or reach profitability.

General and Administrative Expenses. General and administrative expenses for the year ended March 31, 2010 were \$598,117, significantly lower than the \$1,119,839 expended for general and administrative expenses during the same period in 2009. The general and administrative expenses for the year ended March 31, 2010 included \$150,420 in wages and salaries, which nearly equaled the \$150,000 in wage expense for the year ended March 31, 2009. In the year ended March 31, 2010, we also incurred \$27,068 in legal and professional expenses, a large decrease from the \$179,470 in legal and professional expenses for the year ended March 31, 2009. The lower expenses in this category were primarily due to decreases in associated with our voluntary decision in January 2009 to suspend our duty to file reports under Sections 13 and 15(d) of the Securities Exchange Act of 1934. We had \$249,342 in research and development expenses for the year ended March 31, 2010, a decrease from \$455,900 in research and development expenses for the year ended March 31, 2009. This decrease was due to the consolidation of work on the ultracapacitor technology at the Company's facility in Madison.

We incurred \$171,287 in other expenses during the year ended March 31, 2010, a decrease from the \$319,161 in other expenses we incurred for the year ended March 31, 2009. These 2010 expenses consisted of: \$32,367 in rent expenses, a slight increase from the \$31,612 for the same period in 2009; \$14,500 in Board member services, a slight increase from \$13,243 in Board services for the same period in 2009; \$2,200 in travel-related expenses, significantly lower than the \$13,658 for the same period in 2009, due to decreased participation in conferences and trade shows; \$48,334 in consulting services, a decrease from \$130,627 for the same period in 2009 due to a decrease in the number and work load of consultants; \$689 in marketing, website development, brochures and communications materials, a large decrease from \$55,434 for the same period in 2009 due to a company-wide re-evaluation and de-emphasis on certain, expensive marketing expenses; \$3,750 in office expenses, a decrease from \$8,226 for the same period in 2009; \$13,223 in utilities and telephone expenses, an increase from \$10,912 for the same period in 2009; \$11,868 in miscellaneous expenses, a decrease from \$16,065 for the same period in 2009; and \$44,356 in depreciation and amortization expense, compared with \$39,384 for the year ended March 31, 2009. We anticipate that as revenues increase, and we ramp up our operations, our general and administrative expenses will continue to increase significantly.

Other Income. For the year ended March 31, 2010, we received \$138,669 from a grant from the State of Wisconsin's Energy Independence Fund to help defray the costs of the ultracapacitor development. This is a larger amount than the \$80,607 we received for the same purpose for the year ended March 31, 2009.

Net Loss. As a result of the foregoing factors, our net loss was \$505,785, or \$0.01 per share, for the year ended March 31, 2010. This loss is significantly less than the net loss of \$1,085,693, or \$0.03 per share, for the year ended March 31, 2009.

#### *Year Ended March 31, 2009 Compared to Year Ended March 31, 2008*

##### Revenues

Revenues. We generated a total of \$59,231 in sales revenue in the year ended March 31, 2009, compared with none during the year ended March 31, 2008. We are just commencing product sales to a limited degree and anticipate revenue increases in the coming years. However, there can be no assurance that we will ever receive additional revenues or reach profitability.

General and Administrative Expenses. General and administrative expenses for the year ended March 31, 2009 were \$1,119,839, higher than the \$889,635 expended for general and administrative expenses during the same period in 2008. The general and administrative expenses for the year ended March 31, 2009 included \$165,309 in wages and salaries, which nearly equaled the \$150,000 in wage expense for the year ended March 31, 2008. In the year ended March 31, 2009, we also incurred \$179,470 in legal and professional expenses, a large decrease from the \$245,038 in legal and professional expenses for the year ended March 31, 2009. The lower expenses in this category were primarily due to decreases in associated with our voluntary decision in January 2009 to suspend our duty to file reports under Sections 13 and 15(d) of the Securities Exchange Act of 1934. We had \$455,900 in research and development expenses for the year ended March 31, 2009, a sharp increase from the \$183,180 in research and development expenses for the year ended March 31, 2009. This increase was due to the ramp up of activity under the grant from the Wisconsin Energy Independence Fund.

We incurred \$319,161 in other expenses during the year ended March 31, 2009, about the same as the \$311,417 in other expenses we incurred for the year ended March 31, 2008. These 2009 expenses consisted of: \$31,162 in rent expenses, a slight decrease from the \$39,131 for the same period in 2009; \$8,226 in office expense, a slight increase from \$5,264 in office expenses for the same period in 2009; \$13,658 in travel-related expenses, a significant decrease from the \$30,987 for the same period in 2009, due to decreased participation in conferences and trade shows; \$143,872 in consulting services, an increase from \$115,156 for the same period in 2009 due to an increase in the number and work load of consultants; \$55,434 in marketing, website development, brochures and communications materials, similar to the \$49,234 expended in the same period in 2009; \$12,270 in insurance expenses, a decrease from \$15,823 for the same period in 2009; \$10,912 in utilities and telephone expenses, an increase from \$6,724 for the same period in 2009; \$3,795 in miscellaneous expenses, a decrease from \$7,939 for the same period in 2009; and \$39,384 in depreciation and amortization expense, compared with \$36,156 for the year ended March 31, 2008. We anticipate that as revenues increase, and we ramp up our operations, our general and administrative expenses will continue to increase significantly.

Other Income. For the year ended March 31, 2009, we received \$111,331 from a grant from the State of Wisconsin's Energy Independence Fund to help defray the costs of the ultracapacitor development, offset by 30,725 on the extinguishment of existing debt. This balance of \$80,607 compares with none received for the year ended March 31, 2008.

Net Loss. As a result of the foregoing factors, our net loss was \$1,085,693, or \$0.03 per share, for the year ended March 31, 2009. This loss is slightly higher than the net loss of \$998,152, or \$0.04 per share, for the year ended March 31, 2008.

##### **Liquidity and Capital Resources**

From our date of inception (March 17, 2005), we have obtained the majority of our cash resources from the sale of stock to our founders. Our operating plan for the years ending March 31, 2011 and 2012 is focused on the continued development of our products and increasing sales revenue of our potentiostat systems and certain ultracapacitor applications. We currently anticipate that cash of \$2,500,000 is required to support this plan. At June 30, 2010, we had only \$5,995 in cash and had a monthly burn rate of approximately \$15,600 over the past quarter. We are in the process of raising additional capital.

During the fiscal year ended March 31, 2006, the Company issued an aggregate of 2,807,000 shares of common stock for proceeds of \$268,400. In addition, the Company issued to another private investor a warrant to purchase 305,000 shares of common stock at an exercise price of \$0.10 per share, none of which had been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2007, the Company issued an aggregate of 3,017,497 shares for proceeds of \$202,225 less \$3,302 in offering costs. In addition, the Company issued an aggregate of 150,000 shares for services valued at \$10,500, 100,000 shares to satisfy outstanding loans from shareholders totaling \$7,000, and warrants to purchase 350,000 shares of common stock at an exercise price of \$0.01 per share, 250,000 of which had been exercised for total proceeds of \$2,500, and 100,000 at \$0.10 per share, none of which have been exercised as of the date of this annual report.

During the fiscal year ended March 31, 2008, the Company issued an aggregate of 9,442,500 shares for proceeds of \$313,500 less \$3,413 in offering costs. In addition, the Company issued an aggregate of 3,599,641 shares for services valued at \$344,320, 714,358 shares to satisfy outstanding loans from shareholders totaling \$65,005, and warrants to purchase 3,350,000 shares of common stock, 1,000,000 at an exercise price of \$0.04 per share, 50,000 of which have been exercised for proceeds of \$2,000 as of the date of this annual report, and 2,350,000 at an exercise price of \$0.01 per share, none of which have been exercised as of the date of this annual report. In addition, the Company reacquired an aggregate of 2,500,000 shares.

During the fiscal year ended March 31, 2009, the Company issued an aggregate of 8,660,000 shares for proceeds of \$252,000. In addition, the Company issued an aggregate of 1,614,504 shares for services valued at \$38,601, 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725, and 2,865,000 shares in satisfaction of amounts due to shareholders. In addition, the Company issued 317,500 shares for prepaid services valued at \$19,800, which were amortized over the performance period.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

On April 23, 2009, a majority of the stockholders approved a Certificate of Amendment to the Company's Certificate of Incorporation which increased the number of authorized shares of common stock from 50 million shares to 100 million shares.

Also during April 2009, the Board of Directors voted unanimously to send warrant agreements to every stockholder as of May 8, 2009 (record date) which allows each stockholder on the record date to purchase one additional share of common stock for every two shares held. The exercise price on the warrant agreements reflect that 25% of the warrants be priced at \$0.01 per share with an expiration date of July 31, 2009; 25% of the warrants be priced at \$0.02 per share with an expiration date of October 31, 2009; 25% of the warrants be priced at \$0.04 per share with an expiration date of January 31, 2010 and 25% of the warrants be priced at \$0.08 with an expiration date of April 30, 2010.

The warrant agreements are non-transferable, there are no adjustments made in the price or quantity due to any warrant, stock or option issuance to any employee, investor, creditor, director, placement agent or other compensatory or incentive grants, the shares underlying the warrant agreement are restricted from sale on the open market and will not be registered, the warrants contain no rights as a shareholder prior to exercise and all stockholders receiving the warrants are required to comply with any Securities Act requirements upon exercise.

Warrant agreements to purchase 22,823,024 shares (5,705,756 at \$0.01 per share, expiring on July 31, 2009; 5,705,756 at \$0.02 per share, expiring on October 31, 2009; 5,705,756 at \$0.04 per share, expiring on January 31, 2010; and 5,705,756 at \$0.08 per share, expiring on April 30, 2010) were mailed out to stockholders beginning May 20, 2009. As of March 31, 2010, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and 15,408,621 warrant agreements had expired. 5,701,199 of these warrant agreements remained in force all with an exercise price of \$0.08 per share and due to expire on April 30, 2010.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued an aggregate of 1,250,000 shares of its common stock to two investors for proceeds of \$13,500. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 to be performed between July 2009 and February 17, 2010, which will be amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000. In addition, the Company issued an aggregate of 7,500,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000. In addition, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which will be amortized over the period.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000. In addition, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. The Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 500,000 shares to an investor for services valued at \$5,000.

We continue to seek to raise additional funds to support operations through private placements of equity and debt securities. We believe that the funds raised through this plan will be sufficient to support our operations through the year ending March 31, 2011. A large portion of our anticipated costs will relate to product research and development. In addition, we plan to invest in additional employees, and to build our infrastructure as revenues increase. However, we believe our success will be largely dependent on funding from private placements of equity securities. There can be no assurance that we will be successful in raising any capital, and at the present time, we have no other agreements or arrangements for any private placements.

All of these conditions give rise to substantial doubt about our ability to continue as a going concern. Our financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to obtain additional financing from the sale of our common stock, as may be required, and ultimately to attain profitability.

Our Notes to the Financial Statements for the period ending June 30, 2010, included in this report, contains a paragraph regarding our ability to continue as a going concern.

#### *Capital Resources – Quarter Ended June 30, 2010*

During the quarter ended June 30, 2010, we continued to spend cash to fund our operations. Cash used by operating activities for the quarter ended June 30, 2010 equaled \$89,339, and consisted principally of our net loss of \$109,679 and increases in depreciation and amortization of \$11,141, stock-based compensation of \$8,500, interest accrued on the present value of the minimum annual royalty payments of \$4,321, and prepaid expenses of \$4,000, offset by decreases of \$3,922 in accounts payable and \$3,700 in accrued liabilities. During the comparable period in 2009, cash used by operating activities equaled \$33,580, and consisted principally of our net loss of \$138,261 and increases of \$10,938 in depreciation and amortization, \$15,511 in stock-based compensation, \$4,321 in interest accrued on the present value of minimum annual royalty payments, \$46 in prepaid expenses, \$30,513 in accounts receivable, \$20,630 in other receivables and \$27,867 in accrued liabilities, offset by \$5,145 in accounts payable.

During the quarter ended June 30, 2010, we used \$84,610 in cash for investing activities, consisting of the change in non-controlling interest. During the comparable period in 2009, we experienced a decrease in the cash used for investing activities of \$15,663 in the purchase of fixed assets.

During the quarter ended June 30, 2010, cash provided by financing activities totaled \$3,916, consisting of an increase of \$15,000 from the issuance of common stock for cash, offset by a decrease of \$11,084 in the amounts due to our stockholders. During the quarter ended June 30, 2009, cash provided by financing provided increased by \$27,576, due to increases of \$37,825 in common stock issued for cash and \$5,000 for the issuance of common stock in satisfaction of due to stockholders, offset by a decrease of \$15,249 in the amounts due to our stockholders.

As of June 30, 2010, we had cash and cash equivalents amounting to \$5,995, an increase from the balance of \$3,996 at June 30, 2009. Our working capital deficit decreased significantly to \$856,337 at June 30, 2010, from \$1,042,805 at June 30, 2009. There were no material commitments for capital expenditures at June 30, 2010.

Our research and development activities over the next twelve months are expected to consist of the optimization of our battery and ultracapacitor technologies by developing stream-lined manufacturing processes and determining their suitability for various applications, followed by necessary chemical and structural modifications. These activities will be undertaken with a view towards our ultimate goal of developing a series of working, fully functional production units, which we currently anticipate could take anywhere from twelve to twenty-four months depending on the application.

As of June 30, 2010, we are uncertain as to the completion date of our research and development, or if products will ever be completed as a result of this research and development activity. We anticipate that the funds spent on research and development activities will need to increase prior to completion of a product. We may not be able to secure funding in the future necessary to complete our intended research and development activities.

#### *Capital Resources – Year Ended March 31, 2010*

During the year ended March 31, 2010, we continued to spend cash to fund our operations. Cash used by operating activities for the year ended March 31, 2010 equaled \$346,565, and consisted principally of our net loss of \$505,785 and increases in depreciation and amortization of \$44,356, stock-based compensation of \$176,541, interest accrued on the present value of the minimum annual royalty payments of \$17,286, prepaid expenses of \$46, accounts receivable of \$30,512 and other receivables of \$20,630, offset by decreases \$13,320 in accounts payable, and \$116,831 in accrued liabilities. During the comparable period in 2009, cash used by operating activities equaled \$535,586, and consisted principally of our net loss of \$998,152 and decreases in accounts receivable of \$30,513 and other receivables of \$20,630, offset by an increase of \$39,893 in depreciation and amortization, \$150,942 in stock-based compensation, \$17,287 in interest accrued on the present value of minimum annual royalty payments, \$23,109 in prepaid expenses, \$161,220 in accounts payable and \$121,769 in accrued liabilities.

During the year ended March 31, 2010, we used \$85,966 in cash for investing activities, consisting of \$103,599 in changes in minority interests in our subsidiary, offset by the purchase of fixed assets totaling \$17,633. During the comparable period in 2009, we used \$202,832 in cash for investing activities, consisting of \$241,972 in changes in minority interests in our subsidiary, offset by the purchase of fixed assets totaling \$39,140.

During the year ended March 31, 2010, cash provided by financing activities totaled \$241,744, consisting of \$259,095 from the issuance of common stock for cash, \$20,100 for the issuance of common stock in satisfaction of due to stockholders, offset by a decrease of \$37,451 in the amounts due to our stockholders. During the year ended March 31, 2009, financing provided by activities decreased by 66,352, due to a decrease of the same amount in the amounts due to stockholders.

As of March 31, 2010, we had cash and cash equivalents amounting to \$6,808, a decrease from the balance of \$25,663 at March 31, 2009. Our working capital deficit decreased significantly to \$361,071 at March 31, 2010, from \$543,803 at March 31, 2009. There were no material commitments for capital expenditures at March 31, 2010.

#### *Capital Resources – Year Ended March 31, 2009*

During the year ended March 31, 2009, we continued to spend cash to fund our operations. Cash used by operating activities for the year ended March 31, 2009 equaled \$623,127, and consisted principally of our net loss of \$1,085,694 and increases in depreciation and amortization of \$39,383, stock-based compensation of \$150,942, interest accrued on the present value of the minimum annual royalty payments of \$17,287, prepaid expenses of \$23,109, accounts payable of \$161,220 and accrued liabilities of \$121,769, offset by decreases \$30,513 in accounts receivable, and \$20,630 in other receivables. During the comparable period in 2008, cash used by operating activities equaled \$675,899, and consisted principally of our net loss of \$998,152 and decreases in prepaid expenses of \$9,576, accounts payable of \$62,059 and accrued liabilities of \$39,083, offset by increases of \$36,159 in depreciation and amortization, \$322,097 in stock-based compensation, \$74,475 in interest accrued on the present value of minimum annual royalty payments and \$240 in other receivables.

During the year ended March 31, 2009, we used \$202,832 in cash for investing activities, consisting of \$241,972 in changes in minority interests in our subsidiary, offset by the purchase of fixed assets totaling \$39,140. During the comparable period in 2008, we saw a decrease in cash used for investing activities by 38,632, consisting of decreases of \$37,169 for the purchase of fixed assets and \$1,473 for intangible assets.

During the year ended March 31, 2009, cash provided by financing activities totaled \$405,787, consisting of \$282,725 from the issuance of common stock for cash, \$189,404 for the issuance of common stock in satisfaction of due to stockholders, offset by a decrease of \$66,352 in the amounts due to our stockholders. During the year ended March 31, 2008, cash provided by financing activities increased by 732,789, due to an increase of \$312,088 in common stock issued for cash and \$402,701 in change in due to stockholders.

As of March 31, 2009, we had cash and cash equivalents amounting to \$25,663, a decrease from the balance of \$40,171 at March 31, 2008. Our working capital deficit increased significantly to \$935,134 at March 31, 2009, from \$633,246 at March 31, 2008. There were no material commitments for capital expenditures at March 31, 2010.

#### *Other*

In March 2008 we renegotiated our Technology and Patent Assignment agreement with Dr. Sung Choi to eliminate the minimum annual royalty payments due to him in exchange for increasing the royalties on future sales from 5% to 7.5% and the initial license fee from \$10,000 to \$100,000.

We have certain minimum annual royalty payments to the University of Wisconsin amounting to \$25,000 annually beginning in calendar year 2010.

#### **Critical Accounting Policies**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions and estimates that affect the amounts reported. Note 1 of Notes to Financial Statements describes the significant accounting policies used in the preparation of the financial statements.

Certain of these significant accounting policies are considered to be critical accounting policies, as defined below.

A critical accounting policy is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on our financial condition and results of operations. Specifically, critical accounting estimates have the following attributes: 1) we are required to make assumptions about matters that are highly uncertain at the time of the estimate; and 2) different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on our financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and present a meaningful presentation of our financial condition and results of operations.

In preparing our financial statements to conform to accounting principles generally accepted in the United States, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. These estimates include useful lives for fixed assets for depreciation calculations and assumptions for valuing options and warrants. Actual results could differ from these estimates.

We consider that the following are critical accounting policies:

*Research and development expenses* - All research and development costs are expensed as incurred. The value of acquired in-process research and development is charged to expense on the date of acquisition. Research and development expenses include, but are not limited to, payroll and personnel expense, lab supplies, preclinical studies, raw materials to manufacture our solution, manufacturing costs, consulting, legal fees and research-related overhead. Accrued liabilities for raw materials to manufacture our solution, manufacturing costs and patent legal fees are included in accrued liabilities and included in research and development expenses.

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

*Fixed assets* – Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

We periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful life of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

*Stock-based compensation* - On April 1, 2006, we adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), "Share-Based Payment," requiring us to recognize expense related to the fair value of its employee stock option awards. We recognize the cost of all share-based awards on a graded vested basis over the vesting period of the award.

We have granted no warrants or options to employees since inception. Accordingly, the adoption of SFAS No. 123(R) did not impact the financial statements.

**C. Off-Balance Sheet Arrangements.**

None

## Part E - Issuance History

### **XVII: List of securities offerings issued in the past two years.**

The following shares were issued in reliance on Section 4(2) of the Securities Act and were issued without a general solicitation or advertising. The recipients were sophisticated investors with access to all relevant information necessary to evaluate the investment, and who represented to the Company that the shares were being acquired for investment purposes:

In May 2008, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$50,000.

In June 2008, the Company issued an aggregate of 1,040,000 shares of its common stock to five investors for proceeds of \$26,000.

In August 2008, the Company issued an aggregate of 2,620,000 shares of its common stock to six investors for proceeds of \$111,000 and 768,000 shares to satisfy an outstanding loan from a shareholder totaling \$30,725.

In October 2008, the Company issued 500,000 shares of its common stock to an investor for proceeds of \$20,000.

In January 2009, the Company issued an aggregate of 2,000,000 shares of its common stock to two investors for proceeds of \$20,000. In addition, the Company issued an aggregate of 936,000 shares of its common stock to two investors for services valued at \$22,000.

In February 2009, the Company issued 50,000 shares of its common stock to an investor for proceeds of \$2,000.

During June 2009, the Company issued 1,000,000 shares of its common stock to an investor for proceeds of \$10,000. In addition, the Company issued an aggregate of 862,500 shares to three investors for services valued at \$7,625. Also, the Company issued 937,500 shares to an investor as payment for prepaid services valued at \$9,375 performed between July 2009 and February 17, 2010, which were amortized over the period. Finally, the Company issued 500,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,000.

In August 2009, the Company issued an aggregate of 7,500,000 shares to three investors for services valued at \$7,500.

During September 2009, the Company issued an aggregate of 200,000 shares of its common stock to two investors for proceeds of \$2,000. In addition, the Company issued 550,000 shares to satisfy an outstanding loan from a shareholder totaling \$5,500.

In November 2009, the Company issued an aggregate of 5,250,000 shares to two investors for services valued at \$75,500. Also, the Company issued 2,000,000 shares to an investor as payment for prepaid services valued at \$24,000, to be performed between November 2009 and November, 2010, which will be amortized over the period.

In December 2009, the Company issued 650,000 shares to an investor for services valued at \$10,000.

During January 2010, the Company issued 4,000,000 shares to an investor for services valued at \$30,000.

During February 2010, the Company issued an aggregate of 16,000,000 shares to two investors for proceeds of \$80,000. In addition, the Company issued 1,200,000 shares, valued at \$9,000, to partially satisfy an outstanding loan from a shareholder.

During March 2010, the Company issued an aggregate of 350,000 shares to two investors for services valued at \$2,500.

As of March 31, 2010, a total of 1,713,284 warrants had been exercised for proceeds of \$21,434, less \$3,503 in offering costs and 15,408,621 warrant agreements had expired. 5,701,199 of these warrant agreements, all with an exercise price of \$0.08 per share, expired on April 30, 2010.

During April 2010, the Company issued an aggregate of 3,000,000 shares to two investors for proceeds of \$15,000. In addition, the Company issued 500,000 shares to an investor for services valued at \$5,000.

The following shares were issued for services. These shares were registered on Form S-8. The recipients were natural persons who had performed bona fide services for the Company that were not conducted in connection with any sale of securities in a capital-raising transaction, and did not directly or indirectly promote or maintain a market for the Company's securities:

In April 2008, the Company issued 1,100,000 shares of its common stock to two investors for services valued at \$109,000.

In May 2008, the Company issued an aggregate of 435,000 shares to two investors for services valued at \$27,400.

In June 2008, the Company issued 200,000 shares to an investor for services valued at \$100,000.

In August 2008, the Company issued 1,526,404 shares to an investor for services valued at \$40,307.

In November 2008, the Company issued an aggregate of 549,600 shares of its common stock to three investors for services valued at \$35,107.

The following shares were issued for investments made in reliance on Regulation D, Rule 504. The offering was made exclusively in one state according to a state law that exemption and without a general solicitation or advertising. Under this rule, the Company was allowed to raise up to \$1,000,000 in a twelve month period. Between March 2009 and February 2010, the Company raised a total of \$174,000. The recipients were accredited investors (and two were existing, long-standing shareholders of the Company) with access to all relevant information necessary to evaluate the investment, and who represented to the Company that the shares were being acquired for investment purposes:

In March 2009, the Company issued 1,250,000 shares of its common stock to an investor for proceeds of \$25,000.

During April 2009, the Company issued 750,000 shares of its common stock to an investor for proceeds of \$10,000 less offering costs of \$125.

During May 2009, the Company issued 1,100,000 shares of its common stock to an investor for proceeds of \$15,000.

During June 2009, the Company issued 250,000 shares of its common stock to an investor for proceeds of \$3,500.

During July 2009, the Company issued an aggregate of 600,000 shares of its common stock to an investor for proceeds of \$8,000.

During August 2009, the Company issued an aggregate of 5,300,000 shares of its common stock to an investor for proceeds of \$53,000.

During October 2009, the Company issued an aggregate of 1,400,000 shares to two investors for proceeds of \$13,500.

During November 2009, the Company issued 1,500,000 shares to an investor for proceeds of \$15,000.

During December 2009, the Company issued 3,600,000 shares to an investor for proceeds of \$31,000.

## Part F - Exhibits

The following exhibits must be either described in or attached to the disclosure statement:

### **XVIII: Material Contracts**

Exhibit A:

Enable IPC Corporation 2007 Stock Incentive Plan, as Approved by the Board of Directors on June 22, 2007 and By a Majority of the Stockholders on July 26, 2007

Exhibit B:

Exclusive License Agreement Between the Wisconsin Alumni Research Foundation (WARF) and Enable IPC Corporation, as Amended

Exhibit C:

SolRayo Purchase Agreement

Exhibit D:

Lease Agreement Between St, John's Properties, Inc. and SolRayo

Articles of Incorporation and Bylaws

Purchases of Equity Securities By the Issuer

Certifications

**Exhibit A: Enable IPC Corporation 2007 Stock Incentive Plan as approved by the Board of Directors on June 22, 2007 and approved by a majority of the stockholders on July 26, 2007**

**ENABLE IPC CORPORATION  
2007 STOCK INCENTIVE PLAN**

(As approved by the Board of Directors on June 22, 2007  
and approved by stockholders on July 26, 2007)

**ARTICLE ONE**

**GENERAL PROVISIONS**

**I. PURPOSE OF THE PLAN**

The Plan is intended to promote the interests of the Corporation by providing eligible persons who are employed by or serve the Corporation or any Parent or Subsidiary with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Corporation as an incentive for them to remain in such service.

Capitalized terms shall have the meanings assigned to such terms in the attached Appendix.

**II. STRUCTURE OF THE PLAN**

A. The Plan shall be divided into two separate equity incentive programs:

1. the Discretionary Option Grant Program under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase shares of Common Stock;

2. the Stock Issuance Program under which eligible persons may, at the discretion of the Plan Administrator, be issued shares of Common Stock directly, either through the immediate purchase of such shares or as a bonus for services rendered the Corporation (or any Parent or Subsidiary); and

B. The provisions of Articles One and Four shall apply to all equity programs under the Plan and shall govern the interests of all persons under the Plan.

**III. ADMINISTRATION OF THE PLAN**

A. The Primary Committee and the Board shall have concurrent authority to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders. (However, grants made to Section 16 Insiders by the entire Board will *not* be exempt from the million-dollar compensation deduction limitation of Code Section 162(m).) Administration of the Discretionary Option Grant and Stock Issuance Programs with respect to all other persons eligible to participate in those programs may, at the Board's discretion, be vested in the Primary Committee or a Secondary Committee, or the Board may retain the power to administer those programs with respect to all such persons; provided, that a Secondary Committee which includes any Employee is not authorized to make grants to non-Employee directors. However, any discretionary option grants or stock issuances for members of the Primary Committee should be authorized by a disinterested majority of the Board.

B. Members of the Primary Committee or any Secondary Committee shall serve for such period of time as the Board may determine and may be removed by the Board at any time. The Board may also at any time terminate the functions of any Secondary Committee and reassume all powers and authority previously delegated to such committee.

C. Service on the Primary Committee or the Secondary Committee shall constitute service as a director, and members of each such committee shall accordingly be entitled to full indemnification and reimbursement as

directors for their service on such committee. No member of the Primary Committee or the Secondary Committee shall be liable for any act or omission made in good faith with respect to the Plan or any option grants or stock issuances under the Plan.

D. Each Plan Administrator shall, within the scope of its administrative functions under the Plan, have full power and authority (subject to the provisions of the Plan) to establish such rules and procedures as it may deem appropriate for proper administration of the Discretionary Option Grant and Stock Issuance Programs and to make such determinations under, and issue such interpretations of, the provisions of those programs and any outstanding options or stock issuances thereunder as it may deem necessary or advisable. Decisions of the Plan Administrator within the scope of its administrative functions under the Plan shall be binding on all parties who have an interest in the Discretionary Option Grant and Stock Issuance Programs under its jurisdiction or any option or stock issuance thereunder.

#### **IV. ELIGIBILITY**

A. The persons eligible to participate in the Discretionary Option Grant and Stock Issuance Programs are as follows:

1. Employees,
2. non-Employee members of the Board or the board of directors of any Parent or Subsidiary, and
3. independent contractors who provide services to the Corporation (or any Parent or Subsidiary).

#### **V. STOCK SUBJECT TO THE PLAN**

A. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Corporation on the open market. The maximum number of shares of Common Stock which may be issued over the term of the Plan shall not exceed 10,000,000 shares.

B. No one person participating in the Plan may receive stock options and direct stock issuances for more than 1,500,000 shares of Common Stock pursuant to the Plan in the aggregate per calendar year. No more than 200,000 shares of Common Stock may be granted under Article Three hereof.

C. Shares of Common Stock subject to outstanding options shall be available for subsequent issuance under the Plan to the extent (1) those options expire or terminate for any reason prior to exercise in full or (2) the options are cancelled in accordance with the cancellation/regrant provisions of the Plan. Unvested shares issued under the Plan and subsequently cancelled or repurchased by the Corporation, at a price per share not greater than the original issue price paid per share, pursuant to the Corporation's repurchase rights under the Plan shall be added back to the number of shares of Common Stock reserved for issuance under the Plan and shall accordingly be available for reissuance through one or more subsequent option grants or direct stock issuances under the Plan. However, should the exercise price of an option under the Plan be paid with shares of Common Stock or should shares of Common Stock otherwise issuable under the Plan be withheld by the Corporation in satisfaction of the withholding taxes incurred in connection with the exercise of an option or the vesting of a stock issuance under the Plan, then the number of shares of Common Stock available for issuance under the Plan shall be reduced by the gross number of shares for which the option is exercised or which vest under the stock issuance, and not by the net number of shares of Common Stock issued to the holder of such option or stock issuance.

D. If any change is made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, appropriate adjustments shall be made by the Plan Administrator to (1) the maximum number and/or class of securities issuable under the Plan, (2) the maximum number and/or class of securities for which any one person may be granted options and direct stock issuances under the Plan per calendar year, and (3) the number and/or class of securities and the exercise price per share in effect under each outstanding option under the Plan. Such adjustments to the outstanding options are to be effected in a manner that shall preclude the enlargement or dilution of rights and benefits under such options. The adjustments determined by the Plan Administrator shall be binding.



## ARTICLE TWO

### **DISCRETIONARY OPTION GRANT PROGRAM**

#### **I. OPTION TERMS**

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator. However, each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such options.

##### **A. Exercise Price.**

1. The exercise price per share shall be determined in accordance with the Stock Option Grant Date and Pricing Policy adopted by the Corporation's Board of Directors.

2. The exercise price shall become immediately due upon exercise of the option and shall, subject to the provisions of Section I of Article Four and the documents evidencing the option, be payable in one or more of the forms specified below:

(a) cash or check made payable to the Corporation,

(b) shares of Common Stock held for the requisite period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date, or

(c) to the extent the option is exercised for vested shares, through a special sale and remittance procedure pursuant to which the Optionee shall concurrently provide irrevocable instructions to (a) a Corporation-designated brokerage firm to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares plus all applicable income and employment taxes required to be withheld by the Corporation by reason of such exercise and (b) the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale.

Except to the extent such sale and remittance procedure is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

**B. Exercise and Term of Options.** Each option shall be exercisable at such time or times, during such period and for such number of shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. However, no option shall have a term in excess of 10 years measured from the option grant date.

##### **C. Effect of Termination of Service.**

1. The following provisions shall govern the exercise of any options granted pursuant to the Discretionary Option Grant Program that are outstanding at the time of the Optionee's cessation of Service:

(a) Immediately upon the Optionee's cessation of Service, the option shall terminate with respect to the unvested shares subject to the option.

(b) Should the Optionee's Service be terminated for Misconduct or should the Optionee otherwise engage in Misconduct, then the option shall terminate immediately with respect to all shares subject to the option.

(c) Should the Optionee's Service terminate for reasons other than Misconduct, then the option shall remain exercisable during such period of time after the Optionee's Service ceases as shall be determined by the Plan Administrator and set forth in the documents evidencing the option, but no option shall be exercisable after its Expiration Date. During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested shares for which the option is exercisable on the date of the

Optionee's Service ceased. Upon the expiration of the applicable exercise period or (if earlier) upon the Expiration Date, the option shall terminate with respect to any vested shares subject to the options.

2. Among its discretionary powers, the Plan Administrator shall have complete discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding, to extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service, but in no event beyond the expiration of the option term. The Plan Administrator should consider the tax and accounting consequences before exercising such discretion.

D. **Stockholder Rights.** The holder of an option shall have no stockholder rights with respect to the shares subject to the option until such person shall ha

E. **Repurchase Rights.** The Plan Administrator shall have the discretion to grant options that are exercisable for unvested shares of Common Stock. Should the Optionee cease Service while such shares are unvested, the Corporation shall have the right to repurchase any or all of those unvested shares at a price per share equal to the *lower* of (1) the exercise price paid per share or (2) the Fair Market Value per share of Common Stock at the time of the repurchase. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

F. **Limited Transferability of Options.** During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or the laws of inheritance following the Optionee's death. Non-Statutory Options shall be subject to the same restriction, except Non-Statutory Options may be assigned in whole or in part during the Optionee's lifetime to one or more members of the Optionee's family or to a trust established exclusively for one or more such family members or to the Optionee's former spouse. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Plan Administrator may deem appropriate.

## II. INCENTIVE OPTIONS

The terms specified below shall be applicable to all Incentive Options. Except as modified by the provisions of this Section II, all the provisions of Articles One, Two and Five shall be applicable to Incentive Options. Options, which are specifically designated as Non-Statutory Options when issued under the Plan, shall *not* be subject to the terms of this Section II.

A. **Eligibility.** Incentive Options may only be granted to Employees.

B. **Dollar Limitation.** The aggregate Fair Market Value of the shares of Common Stock (determined as of the respective date) for which one or more options granted to any Employee pursuant to the Plan (or any other option plan of the Corporation or any Parent or Subsidiary) may for the first time become exercisable as Incentive Options during any one calendar year shall not exceed \$100,000. To the extent that an Optionee's options exceed that limit, they will be treated as Non-Statutory Options (but all of the other provisions of the option shall remain applicable), with the first options that were awarded to the Optionee to be treated as Incentive Options.

C. **10% Stockholder.** If any Employee to whom an Incentive Option is granted is a 10% Stockholder, then the exercise price per share shall not be less than 110% of the Fair Market Value per share of Common Stock on the option grant date, and the option term shall not exceed five years measured from the option grant date.

## III. CHANGE IN CONTROL

A. In the event a Change in Control occurs, the shares of Common Stock at the time subject to each outstanding option granted pursuant to this Discretionary Option Grant Program shall automatically vest in full so that each such option shall, immediately prior to the effective date of the Change in Control, become exercisable for all the shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares as fully vested shares of Common Stock. However, an outstanding option shall not become vested on such an accelerated

basis if and to the extent: (1) such option is to be assumed by the successor corporation (or parent thereof) or is otherwise to continue in full force pursuant to the terms of transaction or (2) such option is to be replaced with a cash incentive program of the successor corporation which preserves the spread existing at the time of the Change in Control on any shares for which the option is not otherwise at that time exercisable and provides for subsequent payout of that spread no later than the time the Optionee would vest in those option shares or (3) the acceleration of such option is subject to other limitations imposed by the Plan Administrator.

B. All outstanding repurchase rights under the Discretionary Option Grant Program shall automatically terminate, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, immediately prior to the occurrence of a Change in Control, except to the extent: (1) those repurchase rights are to be assigned to the successor corporation (or parent thereof) or are otherwise to continue in full force pursuant to the terms of the transaction or (2) such accelerated vesting is precluded by other limitations imposed by the Plan Administrator.

C. Immediately following the consummation of the Change in Control, all outstanding options granted pursuant to the Discretionary Option Grant Program shall terminate, except to the extent assumed by the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the terms of the transaction.

D. Each option granted pursuant to the Discretionary Option Grant Program that is assumed or otherwise continued in effect in connection with a Change in Control shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to the Optionee in consummation of such Change in Control had the option been exercised immediately prior to such Change in Control. Appropriate adjustments to reflect such Change in Control shall also be made to (1) the exercise price payable per share under each outstanding option, provided the aggregate exercise price payable for such securities shall remain the same, (2) the maximum number and/or class of securities available for issuance over the remaining term of the Plan and (3) the maximum number and/or class of securities for which any one person may be granted options and direct stock issuances pursuant to the Plan per calendar year. To the extent the holders of Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation may, in connection with the assumption of the outstanding options granted pursuant to the Discretionary Option Grant Program, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such transaction.

E. Among its discretionary powers, the Plan Administrator shall have the ability to structure an option (either at the time the option is granted or at any time while the option remains outstanding) so that the option shall become immediately exercisable and some or all of the shares subject to that option shall automatically become vested (and some or all of the repurchase rights of the Corporation with respect to the unvested shares subject to that option shall immediately terminate) upon the occurrence of a Change in Control, a Proxy Contest or any other specified event or the Optionee's Involuntary Termination within a designated period of time following any of these events. In addition, the Plan Administrator may provide that one or more of the Corporation's repurchase rights with respect to some or all of the shares held by the Optionee at the time of such a Change in Control, a Proxy Contest, or any other specified event or the Optionee's Involuntary Termination within a designated period of time following such an event shall immediately terminate and all of the shares shall become vested.

F. The portion of any Incentive Option accelerated in connection with a Change in Control or Proxy Contest shall remain exercisable as an Incentive Option only to the extent the \$100,000 limitation described in Section II.B. above is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such option shall be exercisable as a Non-Statutory Option under the federal tax laws.

G. The outstanding options shall in no way affect the right of the Corporation to undertake any corporate action.

## ARTICLE THREE

### STOCK ISSUANCE PROGRAM

#### **I. STOCK ISSUANCE TERMS**

Shares of Common Stock may be issued under the Stock Issuance Program through direct and immediate issuances without any intervening option grants. Each stock issuance under this program shall be evidenced by a stock issuance agreement that complies with the terms specified below. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to awards that entitle the recipients to receive those shares upon the attainment of designated performance goals or the satisfaction of specified Service requirements.

##### **A. Purchase Price.**

1. The purchase price per share shall be fixed by the Plan Administrator.
2. Subject to the provisions of Section I of Article Four, shares of Common Stock may be issued under the Stock Issuance Program for any of the following items of consideration which the Plan Administrator may deem appropriate in each individual instance:
  - (a) cash or check made payable to the Corporation, or
  - (b) past services rendered to the Corporation (or any Parent or Subsidiary).

##### **B. Vesting Provisions.**

1. Except as otherwise provided below in Section I.B.2 of the Plan, shares of Common Stock issued under the Stock Issuance Program for a purchase price less than one hundred percent (100%) of the Fair Market Value of the shares of Common Stock on the date of the grant of the stock issuance agreement for such shares of Common Stock, shall be subject to the following vesting requirements of this Section I.B.1 of the Plan. The shares of Common Stock shall vest ratably over a period of not less than three years subject to continued employment or service with the Corporation (with the Corporation retaining the right to repurchase any of such unvested shares at the original purchase price of such shares in the event the recipient terminates employment as provided in the stock issuance agreement, except as otherwise provided in this section). The vesting of such shares of Common Stock may not be accelerated except in the event of a Change of Control of the Corporation, in the event of the death or Disability of the recipient of the shares of Common Stock, in the event of the actual or constructive termination of the employment or services of the recipient with the Corporation by the Corporation without cause (as determined by the Board) pursuant to the stock issuance agreement, an employment or services agreement, or in connection with a separation agreement or severance plan or arrangement under which the recipient of the shares of Common Stock is required to provide consideration for such acceleration of the vesting of the shares of Common Stock. Notwithstanding the foregoing, shares of Common Stock may also be issued under the Stock Issuance Program pursuant to awards that entitle the recipients to receive those shares (i) solely upon the attainment of designated performance goals provided that the minimum performance period is not less than one year, or (ii) upon the satisfaction of additional Service requirements in addition to the Service requirements in the preceding provisions of this section.

2. Shares of Common Stock issued under the Stock Issuance Program representing up to five percent (5%) of the total number of shares of Common Stock reserved for issuance under the Plan shall not be subject to the restrictions provided above in Section I.B.1 of the Plan and may, in the discretion of the Plan Administrator, be fully and immediately vested upon issuance or may vest in one or more installments over the Participant's period of Service or upon attainment of specified performance objectives. The elements of the vesting schedule applicable to any unvested shares of Common Stock issued under the Stock Issuance Program pursuant to this Section I.B.2 shall be determined by the Plan Administrator and incorporated into the stock issuance agreement. Shares of Common Stock issued pursuant to this Section I.B.2 may also be issued under the Stock Issuance Program pursuant to awards that entitle the recipients to receive those shares upon the attainment of designated performance goals or the satisfaction of specified Service requirements.

3. Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to the Participant's unvested shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration shall be issued subject to such escrow arrangements as the Plan Administrator shall deem appropriate and shall be vested to the same extent the Participant's shares of Common Stock are vested.

4. The Participant shall have full stockholder rights (other than transferability) with respect to any shares of Common Stock issued to the Participant pursuant to the Stock Issuance Program, whether or not the Participant's interest in those shares is vested. Accordingly, the Participant shall have the right to vote such shares and to receive any regular cash dividends paid on such shares. Cash dividends constitute taxable compensation to the Participant are deductible by the Corporation (unless the Participant has made an election under Section 83(b) of the Code).

5. Should the Participant cease to remain in Service while holding one or more unvested shares of Common Stock issued under the Stock Issuance Program or should the performance objectives not be attained with respect to one or more such unvested shares of Common Stock, then those shares shall be immediately surrendered to the Corporation for cancellation, and the Participant shall have no further stockholder rights with respect to those shares. To the extent the surrendered shares were previously issued to the Participant for consideration paid in cash or cash equivalent (including the Participant's purchase-money indebtedness), the Corporation shall repay the Participant, without interest, the *lower* of (a) the cash consideration paid for the surrendered shares or (b) the Fair Market Value of those shares at the time of cancellation and/or shall cancel the unpaid principal balance of any outstanding purchase-money note of the Participant attributable to the surrendered shares by the applicable clause (a) or (b) amount.

6. The Plan Administrator may in its discretion waive the surrender and cancellation of one or more unvested shares of Common Stock that would otherwise occur upon the cessation of the Participant's Service or the non-attainment of the performance objectives applicable to those shares. Such waiver shall result in the immediate vesting of the Participant's interest in the shares of Common Stock as to which the waiver applies. Such waiver may be effected at any time, whether before or after the Participant's cessation of Service or the attainment or non-attainment of the applicable performance objectives.

7. Outstanding share right awards under the Stock Issuance Program shall automatically terminate, and no shares of Common Stock shall actually be issued in satisfaction of those awards, if the performance goals or Service requirements established for such awards are not attained or satisfied. The Plan Administrator, however, shall have the discretionary authority to issue shares of Common Stock under one or more outstanding share right awards as to which the designated performance goals or Service requirements have not been attained or satisfied.

## **II. CHANGE IN CONTROL**

A. All of the Corporation's outstanding repurchase rights under the Stock Issuance Program shall terminate automatically, and all the shares of Common Stock subject to those terminated rights shall immediately vest in full, immediately prior to the occurrence of a Change in Control, except to the extent (1) those repurchase rights are to be assigned to the successor corporation (or parent thereof) or are otherwise to continue in full force and effect pursuant to the terms of the transaction or (2) such accelerated vesting is precluded by other limitations imposed in the stock issuance agreement.

B. The Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Stock Issuance Program so that those rights shall automatically terminate in whole or in part, and some or all of the shares of Common Stock subject to those terminated rights shall immediately vest, upon the occurrence of a Change in Control, a Proxy Contest or any other event, or the Participant's Involuntary Termination within a designated period of time following any of these events.

## ARTICLE FOUR

### MISCELLANEOUS

#### I. FINANCING

The Plan Administrator may permit any Optionee or Participant to pay the option exercise price under the Discretionary Option Grant Program or the purchase price of shares issued under the Stock Issuance Program by delivering a full-recourse, interest-bearing promissory note payable in one or more installments. After considering the tax and accounting consequences, the Plan Administrator shall establish the terms of any such promissory note (including the interest rate and the terms of repayment). In no event may the maximum credit available to the Optionee or Participant exceed the sum of (A) the aggregate option exercise price or purchase price payable for the purchased shares (less the par value of such shares) plus (B) any applicable income and employment tax liability incurred by the Optionee or the Participant in connection with the option exercise or share purchase. Prior to permitting the use of promissory notes as payment under the Plan, the Plan Administrator should consider the restrictions on doing so imposed by Regulation U.

#### II. TAX WITHHOLDING

A. The Corporation's obligation to deliver shares of Common Stock upon the exercise of options or the issuance or vesting of such shares granted pursuant to the Plan shall be subject to the satisfaction of all applicable income and employment tax withholding requirements.

B. The Plan Administrator may, in its discretion, provide any or all holders of Non-Statutory Options or unvested shares of Common Stock issued pursuant to the Plan (other than the options granted to non-Employee directors or independent contractors) with the right to use shares of Common Stock in satisfaction of all or part of the Withholding Taxes to which such holders may become subject in connection with the exercise of their options or the vesting of their shares. Such right may be provided to any such holder in either or both of the following formats:

1. Stock Withholding: The election to have the Corporation withhold, from the shares of Common Stock otherwise issuable upon the exercise of such Non-Statutory Option or the vesting of such shares, a portion of those shares. So as to avoid adverse accounting treatment, the number of shares that may be withheld for this purpose may not exceed the minimum number needed to satisfy the applicable income and employment tax withholding rules.

2. Stock Delivery: The election to deliver to the Corporation, at the time the Non-Statutory Option is exercised or the shares vest, one or more shares of Common Stock previously acquired by such holder (other than in connection with the option exercise or share vesting triggering the Withholding Taxes). So as to avoid adverse accounting treatment, the number of shares that may be withheld for this purpose may not exceed the minimum number needed to satisfy the applicable income and employment tax withholding rules.

#### III. SHARE ESCROW/LEGENDS

Unvested shares of Common Stock may, in the Plan Administrator's discretion, be held in escrow by the Corporation until the Optionee's or the Participant's interest in such shares vests or may be issued directly to the Optionee or the Participant with restrictive legends on the certificates evidencing those unvested shares.

#### IV. RESTRICTIONS ON CANCELLATION AND REGRANT OF STOCK OPTIONS AND REPRICING OF STOCK OPTIONS

Except with the approval of the stockholders of the Corporation, (i) no option may be granted under the Plan to an employee, consultant or member of the Board in direct exchange for, or in direct connection with, the cancellation or surrender of an outstanding option of such person having a higher exercise price, and (ii) no option granted under the Plan may be amended to reduce the exercise price per share of the Common Stock of the Corporation subject to such option below the exercise price of the option as of the date the option is granted, except to reflect the substitution for or assumption of the option in connection with a Change in Control of the Corporation or if any change is made in the Common Stock subject to the Plan or subject to any option under the Plan without the receipt

of consideration by the Corporation (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Corporation) in which case the outstanding stock options will be appropriately adjusted in the class or classes and number of securities and price per share of Common Stock subject to such outstanding stock options. In the event of the substitution for or assumption of an option in connection with a Change in Control of the Corporation or if any change is made in the Common Stock subject to the Plan or subject to any option under the Plan without the receipt of consideration by the Corporation, the Board shall make such adjustments, and its determination shall be final, binding and conclusive. (The conversion of any convertible securities of the Corporation shall not be treated as a transaction "without receipt of consideration" by the Corporation.)

#### **V. EFFECTIVE DATE AND TERM OF THE PLAN**

A. The Plan shall become effective on July 26, 2007. No options may be granted or stock issued under the Plan at any time before July 26, 2007.

B. Unless terminated by the Board prior to such time, the Plan shall terminate upon the tenth anniversary of the Plan's adoption by the Board. Should the Plan terminate when any options or unvested shares are outstanding, such awards shall continue in effect in accordance with the provisions of the documents evidencing such grants or issuances.

#### **VI. AMENDMENT OF THE PLAN**

The Board shall have complete and exclusive power and authority to amend the Plan or any awards made hereunder. However, no such amendment of the Plan shall adversely affect the rights and obligations with respect to options or unvested stock issuances at the time outstanding under the Plan unless the Optionee or the Participant consents to such amendment, and, except as provided in Section IV of Article Four of the Plan relating to adjustments upon changes in Common Stock, no increase in the number of shares of Common Stock reserved for issuance under the Plan shall be effective unless approved by the stockholders of the Corporation to the extent stockholder approval is necessary to satisfy the requirements of Section 422 of the Code, Securities and Exchange Commission Rule 16b-3 or securities exchange listing requirements. In addition, stockholder approval shall be necessary to modify the eligibility requirements for participation in the Plan.

#### **VII. USE OF PROCEEDS**

Any cash proceeds received by the Corporation from the sale of shares of Common Stock under the Plan shall be used for any corporate purpose.

#### **VIII. REGULATORY APPROVALS**

A. The implementation of the Plan, the granting of any stock option under the Plan and the issuance of any shares of Common Stock (1) upon the exercise of any option or (2) under the Stock Issuance Program shall be subject to the Corporation's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the stock options granted under it and the shares of Common Stock issued pursuant to it.

B. No shares of Common Stock or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of applicable securities laws, including the filing and effectiveness of the Form S-8 registration statement for the shares of Common Stock issuable under the Plan, and all applicable requirements of any stock exchange on which Common Stock is then listed for trading or traded.

#### **IX. NO EMPLOYMENT/SERVICE RIGHTS**

Nothing in the Plan shall confer upon the Optionee or the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining such person) or of the Optionee or the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

## **X. CALIFORNIA BLUE SKY PROVISIONS**

If the Corporation is not exempt from California securities laws, the following provisions shall apply to any sale of Common Stock or any option grant to an individual who is eligible to receive such grants pursuant to the Plan who resides in the State of California.

### **A. Option Grant Program.**

1. The exercise price per share shall be fixed by the Plan Administrator in accordance with the following provisions:

(a) The exercise price per share applicable to each option shall not be less than 85% of the Fair Market Value per share of Common Stock on the date the option is granted.

(b) If the person to whom the option is granted is a 10% Stockholder, then the exercise price per share shall not be less than 110% of the Fair Market Value per share of Common Stock on the date the option is granted.

2. The Plan Administrator may not impose a vesting schedule upon any option grant or the shares of Common Stock subject to that option which is more restrictive than 20% per year vesting, with the initial vesting to occur not later than one year after the option grant date. However, such limitation shall not be applicable to any option grants made to individuals who are officers of the Corporation, non-Employee directors or independent contractors.

3. Unless the Optionee's Service is terminated for Misconduct (in which case the option shall terminate immediately), the option (to the extent it was vested and exercisable at that the time Optionee's Service ceased) must remain exercisable, following Optionee's termination of Service, for at least (a) six months if Optionee's Service terminates due to death or Permanent Disability or (b) thirty days in all other cases.

### **B. Stock Issuance Program.**

1. The purchase price per share for shares issued under the Stock Issuance Program shall be fixed by the Plan Administrator but shall not be less than 85% of the Fair Market Value per share of Common Stock on the issue date. However, the purchase price per share of Common Stock issued to a 10% Stockholder shall not be less than 100% of such Fair Market Value.

2. The Plan Administrator may not impose a vesting schedule upon any stock issuance effected under the Stock Issuance Program which is more restrictive than 20% per year vesting, with initial vesting to occur not later than one year after the issuance date. Such limitation shall not apply to any Common Stock issuances made to the officers of the Corporation, non-Employee directors or independent contractors.

**C. Repurchase Rights.** To the extent specified in a stock purchase agreement or stock issuance agreement, the Corporation and/or its stockholders shall have the right to repurchase any or all of the unvested shares of Common Stock held by an Optionee or Participant when such person's Service ceases. However, except with respect to grants to officers, directors, and consultants of the Corporation, the repurchase right must satisfy the following conditions:

1. The Corporation's right to repurchase the unvested shares of Common Stock must lapse at the rate of at least 20% per year over five years from the date the option was granted under the Discretionary Option Grant Program or the shares were issued under the Stock Issuance Program.

2. The Corporation's repurchase right must be exercised within ninety days of the date that Service ceased (or the date the shares were purchased, if later).

3. The purchase price must be paid in the form of cash or cancellation of the purchase money indebtedness for the shares of Common Stock.

## APPENDIX

The following definitions shall be in effect under the Plan:

A. **Board** shall mean the Corporation's Board of Directors.

B. **Change in Control** shall mean a change in ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or other reorganization approved by the Corporation's stockholders, *unless* securities representing more than 50% of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction, or

(ii) the sale, transfer or other disposition of all or substantially all of the Corporation's assets, or

(iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation), of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders.

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

D. **Common Stock** shall mean the Corporation's common stock.

E. **Corporation** shall mean Enable IPC Corporation, a Delaware corporation, and any corporate successor to all or substantially all of the assets or voting stock of Enable IPC Corporation which adopts the Plan.

F. **Discretionary Option Grant Program** shall mean the discretionary option grant program in effect under Article Two of the Plan.

G. **Employee** shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

H. **Exchange Act** shall mean the Securities Exchange Act of 1934, as amended.

I. **Exercise Date** shall mean the date on which the option shall have been exercised in accordance with the appropriate option documentation.

J. **Fair Market Value** per share of Common Stock on any relevant date shall be determined in accordance with the Stock Option Grant Date and Pricing Policy approved by the Board of Directors on August \_\_\_\_, 2008.

K. **Incentive Option** shall mean an option that satisfies the requirements of Code Section 422.

L. **Involuntary Termination** shall mean the termination of the Service of any individual which occurs by reason of:

(i) such individual's involuntary dismissal or discharge by the Corporation (or its Parent or Subsidiary) for reasons other than Misconduct, or

(ii) such individual's voluntary resignation following (a) a change in his or her position with the Corporation (or any Parent or Subsidiary) which materially reduces his or her duties and responsibilities, (b) a reduction in his or her base salary by more than 15%, unless the base salaries of all similarly situated individuals are reduced by the Corporation (or any Parent or Subsidiary) employing the individual or (c) a relocation of such individual's place of

employment by more than fifty miles, provided and only if such change, reduction or relocation is effected by the Corporation (or any Parent or Subsidiary) without the individual's consent.

M. **Misconduct** shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by such person adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss any Optionee, Participant or other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan, to constitute grounds for termination for Misconduct.

N. **Non-Statutory Option** shall mean an option not intended to be an Incentive Option.

O. **Optionee** shall mean any person to whom an option is granted under the Discretionary Option Grant.

P. **Parent** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Q. **Participant** shall mean any person who is issued shares of Common Stock under the Stock Issuance Program.

R. **Permanent Disability or Permanently Disabled** shall mean the inability of the Optionee or the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of 12 months or more.

S. **Plan** shall mean the Enable IPC Corporation 2007 Stock Incentive Plan, as amended.

T. **Plan Administrator** shall mean the particular entity, whether the Primary Committee, the Board or the Secondary Committee, which is authorized to administer the Discretionary Option Grant and Stock Issuance Programs with respect to one or more classes of eligible persons, to the extent such entity is carrying out its administrative functions under those programs with respect to the persons under its jurisdiction.

U. **Plan Effective Date** shall mean the date the Plan becomes effective and shall be coincidental with the date the Plan is approved by the Corporation's stockholders. The Plan Effective Date is July 26, 2007.

V. **Primary Committee** shall mean the committee comprised of one or more directors designated by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders. To obtain the benefits of Rule 16b-3, there must be at least two members on the Primary Committee and all of the members must be "non-employee" directors as that term is defined in the Rule or the entire Board must approve the grant(s). Similarly, to be exempt from the million dollar compensation deduction limitation of Code Section 162(m), there must be at least two members on the Primary Committee and all of the members must be "outside directors" as that term is defined in Code Section 162(m).

W. **Proxy Contest** shall mean a change in ownership or control of the Corporation effected through a change in the composition of the Board over a period of 36 consecutive months or less such that a majority of the directors ceases, by reason of one or more contested elections for directorship, to be comprised of individuals who either (i) have been directors continuously since the beginning of such period or (ii) have been elected or nominated for election as directors during such period by at least a majority of the directors described in clause (i) who were still in office at the time the Board approved such election or nomination.

X. **Secondary Committee** shall mean a committee of one or more directors appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to eligible persons other than Section 16 Insiders.

Y. **Section 16 Insider** shall mean an executive officer or director of the Corporation or the holder of more than 10% of a registered class of the Corporation's equity securities, in each case subject to the short-swing profit liabilities of Section 16 of the Exchange Act.

Z. **Service** shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, a non-Employee member of the board of directors or independent contractor, except to the extent otherwise specifically provided in the documents evidencing the option grant or stock issuance.

AA. **Stock Issuance Program** shall mean the stock issuance program in effect under Article Three of the Plan.

BB. **Subsidiary** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

CC. **10% Stockholder** shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than 10% of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).

DD. **Withholding Taxes** shall mean the applicable income and employment withholding taxes to which the holder of a Non-Statutory Option or unvested shares of Common Stock under the Plan may become subject in connection with the exercise of those options or the vesting of those shares.

**Exhibit B: Exclusive License Agreement Between the Wisconsin Alumni Research Foundation (WARF) and Enable IPC Corporation, as Amended**

Agreement No. 08-0204

**EXCLUSIVE LICENSE AGREEMENT**

This Agreement is made effective the 21st day of November, 2007, by and between Wisconsin Alumni Research Foundation (hereinafter called "WARF"), a nonstock, nonprofit Wisconsin corporation, and Enable IPC (hereinafter called "Licensee"), a corporation organized and existing under the laws of Delaware;

**WHEREAS**, WARF owns certain intellectual property rights to the inventions described in the "Licensed Patents" defined below, and WARF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

Section 1. Definitions.

For the purpose of this Agreement, the Appendix A definitions shall apply.

Section 2. Grant.

A. License.

WARF hereby grants to Licensee under the Licensed Patents an exclusive license to make, use and sell Products in the Licensed Field and Licensed Territory.

B. Sublicenses.

(i) Licensee may grant written, nonexclusive sublicenses to third parties. Any agreement granting a sublicense shall state that the sublicense is subject to the termination of this Agreement. Licensee shall have the same responsibility for the activities of any sublicensee as if the activities were directly those of Licensee. Licensee shall provide WARF with the name, contact information and address of each sublicensee, as well as information regarding the number of full-time employees of any such sublicensee to allow WARF to determine whether it can maintain its small entity filing status for patent prosecution and maintenance purposes.

(ii) With respect to sublicenses granted by Licensee under this Section 2B, Licensee shall pay to WARF an amount equal to what Licensee would have been required to pay to WARF had Licensee sold the amount of Products sold by such sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a sublicense, and such payments are not based directly upon the amount or value of Products sold by the sublicensee, then Licensee shall pay WARF twenty five percent (25%) of such payments in the manner specified in Section 4E. Licensee shall not receive from its sublicensees anything of value in lieu of cash payments in consideration for any sublicense granted under this Agreement without the express prior written consent of WARF.

C. Reservation of Rights.

WARF hereby reserves the right to grant non-profit research institutions and governmental agencies non-exclusive licenses to practice and use the inventions of the Licensed Patents for Non-Commercial Research Purposes. WARF, the University of Wisconsin and the inventors of the Licensed Patents shall have the right to publish any information included in the Licensed Patents.

D. License to WARF.

(i) Licensee hereby grants, and shall require its sublicensee(s) to grant, to WARF a nonexclusive, royalty-free, irrevocable, paid-up license, with the right to grant sublicenses to non-profit research institutions and governmental agencies, to practice and use "Improvements" for Non-Commercial Research Purposes. "Improvements" shall mean any patented modification of an invention described in the Licensed Patents that (1) would be infringed by the practice of an invention claimed in the Licensed Patents; or (2) if not for the license granted under this Agreement, would infringe one or more claims of the Licensed Patents. Licensee shall provide WARF with a written, enabling disclosure of each such invention, unambiguously identifying it as an invention governed by this paragraph, within six (6) months of the issuance of a patent thereon.

(ii) In the event that Licensee and its sublicensee(s) discontinue the use or commercialization of the Licensed Patents or any Improvements provided for under this Agreement, Licensee shall grant, and shall require its sublicensee(s) to grant, to WARF an option to obtain a nonexclusive, royalty-bearing license, with the right to grant sublicenses, to practice and use said Improvements for commercial purposes. Licensee shall provide to WARF written notice that Licensee and its sublicensee(s) intend to discontinue such use or commercialization immediately upon making such a decision. WARF's option with respect to each Improvement shall expire sixty (60) days after WARF's receipt of said written notice from Licensee. The failure of WARF to timely exercise its option under this paragraph shall be deemed a waiver of WARF's option, but only with respect to the Improvement so disclosed.

Section 3. Development.

A. Licensee shall diligently develop, manufacture, market and sell Products in each Licensed Field and Licensed Territory throughout the term of this Agreement. Such activities shall include, without limitation, those activities listed in the Development Plan attached hereto as Appendix E. Licensee agrees that said Development Plan is reasonable and that it shall take all reasonable steps to meet the development program as set forth therein.

B. Beginning in calendar year 2008 and until the date of first commercial sale, Licensee shall provide WARF with a written Development Report summarizing Licensee's development activities since the last Development Report and any necessary adjustments to the Development Plan. Licensee agrees to provide each Development Report to WARF on or before thirty (30) days from the end of each semi-annual period ending June 30 and December 31 for which a report is due, and shall set forth in each Development Report sufficient detail to enable WARF to ascertain Licensee's progress toward the requirements of the Development Plan. WARF reserves the right to audit Licensee's records relating to the development activities required hereunder. Such record keeping and audit procedures shall be subject to the procedures and restrictions set forth in Section 6 for auditing the financial records of Licensee.

C. Licensee agrees to and warrants that it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents and to develop Products for sale in the commercial market and that it so intends to develop Products for the commercial market. Licensee acknowledges that any failure by Licensee to reasonably implement the Development Plan, or to make timely submission to WARF of any Development Report, or the providing of any false information to WARF regarding Licensee's development activities hereunder, shall be a material breach of this Agreement.

Section 4. Consideration.

A. License Fee.

Licensee agrees to pay to WARF a license fee of fifty thousand dollars (\$50,000) in two equal installments of twenty five thousand dollars (\$25,000) with the first installment due within thirty (30) days of Licensee's execution of this Agreement and the second installment due one (1) year from the effective date of this Agreement.

B. Royalty.

In addition to the Section 4A license fee, Licensee agrees to pay to WARF as "earned royalties" a royalty calculated as a percentage of the Selling Price of Products in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Product is actually sold, leased or otherwise transferred for consideration, the date an invoice is sent by Licensee, or the date a Product is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of five percent (5 %) of the Selling Price of Products.

C. Minimum Royalty.

Licensee further agrees to pay to WARF a minimum royalty of twenty five thousand dollars (\$25,000) per calendar year or part thereof during which this Agreement is in effect starting in calendar year 2010, against which any earned royalty paid for the same calendar year will be credited. The minimum royalty for a given year shall be due at the time payments are due for the calendar quarter ending on December 31. It is understood that the minimum royalties will apply on a calendar year basis, and that sales of Products requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual minimum royalty due WARF for any other given calendar year.

D. Patent Fees and Costs.

(i) Licensee also agrees to reimburse WARF for one hundred percent (100%) of all reasonable costs incurred by WARF in filing, prosecuting and maintaining the Licensed Patents. With respect to those costs invoiced to WARF prior to the Effective Date, Licensee shall pay to WARF \$12,197.35 within thirty (30) days of Licensee's execution of this Agreement. With respect to those costs invoiced to WARF after the Effective Date, Licensee shall pay to WARF such costs within thirty (30) days of receiving an invoice from WARF.

(ii) WARF is not obligated to make or maintain any foreign filing of the Licensed Patents. If Licensee desires WARF to make or maintain such foreign filings, Licensee must notify WARF in writing three (3) months prior to the expiration of the deadline for making such foreign filings, indicating those countries in which Licensee desires WARF to pursue foreign patent protection.

Any country for which WARF files for such patent protection at Licensee's request shall be included in the Licensed Territory under this Agreement. WARF reserves the right to file a patent application, at its own expense, in any countries not requested by Licensee pursuant to this Section 4D. Licensee acknowledges that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Licensed Patents were conceived or made, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. § 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to make and maintain foreign filings in those countries not selected by Licensee and/or WARF.

(iii) WARF will prosecute all national applications it files at Licensee's request pursuant to this Section 4D until WARF determines that continued prosecution is unlikely to result in the issuance of a patent in that country. If WARF decides to abandon prosecution or maintenance of any patent or patent application under the Licensed Patents in a country in which Licensee has requested WARF to make and maintain such filing, WARF shall provide Licensee notice of WARF's intent to abandon such application. In such event, Licensee shall have the right to continue prosecution of said application, at its own expense, on behalf of WARF and Licensee, to the extent allowed under applicable law.

E. Accounting; Payments.

(i) Amounts owing to WARF under Sections 2B and 4B shall be paid on a quarterly basis, with such amounts due and received by WARF on or before the thirtieth (30<sup>th</sup>) day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. The balance of any amounts which remain unpaid more than thirty (30) days after they are due to WARF shall accrue interest until paid at the rate of the lesser of one percent (1%) per month or the maximum amount allowed under applicable law. However, in no event shall this interest provision be construed as a grant of permission for any payment delays.

(ii) Except as otherwise directed, all amounts owing to WARF under this Agreement shall be paid in U.S. dollars to WARF at the address provided in Section 16(a). All royalties owing with respect to Selling Prices stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment. WARF is exempt from paying income taxes under U.S. law. Therefore, all payments due under this Agreement shall be made without deduction for taxes, assessments, or other charges of any kind which may be imposed on WARF by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to WARF pursuant to this Agreement. All such taxes, assessments, or other charges shall be assumed by Licensee.

(iii) A full accounting showing how any amounts owing to WARF under Sections 2B and 4B have been calculated shall be submitted to WARF on the date of each such payment. Such accounting shall be on a per-country and product line, model or tradename basis and shall be summarized on the form shown in Appendix C of this Agreement. In the event no payment is owed to WARF, a statement setting forth that fact shall be supplied to WARF.

Section 5. Certain Warranties.

A. WARF warrants that except as otherwise provided under Section 14 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:

(i) a warranty or representation by WARF as to the validity or scope of any of the Licensed Patents;

(ii) a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties; or

(iii) an obligation to furnish any know-how not provided in the Licensed Patents or any services other than those specified in this Agreement.

B. WARF MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICONSEE(S), OR THEIR VENDEES OR OTHER TRANSFEREES, OF PRODUCTS INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

C. Licensee represents and warrants that Products produced under the license granted herein shall be manufactured substantially in the United States as required by 35 U.S.C § 204 and applicable regulations of Chapter 37 of the Code of Federal Regulations.

Section 6. Recordkeeping.

A. Licensee and its sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its sublicensee(s)'s accounting referred to above, including, without limitation, inventory, purchase and invoice records relating to the Products or their manufacture. In addition, Licensee shall maintain documentation evidencing that Licensee is in fact pursuing the development of Products as required herein. Such documentation may include, but is not limited to, invoices for studies advancing the development of Products, laboratory notebooks, internal job cost records, and filings made to the Internal Revenue Department to obtain tax credit, if available, for research and development of Products. Such books and records shall be preserved for a period not less than six (6) years after they are created during and after the term of this Agreement.

B. Licensee and its sublicensee(s) shall take all steps necessary so that WARF may within thirty (30) days of its request review and copy all the books and records at a single U.S. location to allow WARF to verify the accuracy of Licensee's royalty reports and Development Reports and the royalty reports of its sublicensee(s). Such review may be performed by any employee of WARF as well as by any attorney or registered CPA designated by WARF, upon reasonable notice and during regular business hours.

C. If a royalty payment deficiency is determined, Licensee and its sublicensee(s), as applicable, shall pay the royalty deficiency outstanding within thirty (30) days of receiving written notice thereof, plus interest on outstanding amounts as described in Section 4E(i).

D. If a royalty payment deficiency for a calendar year exceeds the lesser of five percent (5%) of the royalties paid for that year or \$50,000, then Licensee or its sublicensee(s) shall be responsible for paying WARF's out-of-pocket expenses incurred with respect to such review.

Section 7. Term and Termination.

A. The term of this license shall begin on the effective date of this Agreement and continue until this Agreement is terminated as provided herein or until the earlier of the date that no Licensed Patent remains an enforceable patent or the payment of earned royalties under Sections 2B and 4B, once begun, ceases for more than eight (8) calendar quarters.

B. Licensee may terminate this Agreement at any time by giving at least ninety (90) days written and unambiguous notice of such termination to WARF. Such a notice shall be accompanied by a statement of the reasons for termination.

C. If Licensee at any time defaults in the timely payment of any monies due to WARF or the timely submission to WARF of any Development Report, fails to actively pursue the development plan, or commits any breach of any other covenant herein contained, and Licensee fails to remedy any such breach or default within ninety (90) days after written notice thereof by WARF, or if Licensee commits any act of bankruptcy, becomes insolvent, is unable to pay its debts as they become due, files a petition under any bankruptcy or insolvency act, or has any such petition filed against it which is not dismissed within sixty (60) days, or if Licensee or its sublicensee(s) offer any component of the Licensed Patents to their creditors, WARF may, at its option, terminate this Agreement by giving notice of termination to Licensee.

D. Upon the termination of this Agreement, Licensee and its sublicensee(s) shall remain obligated to provide an accounting for and to pay royalties earned up to the date of the termination, and any minimum royalties shall be prorated as of the date of termination by the number of days elapsed in the applicable calendar year.

E. Waiver by either party of a single breach or default, or a succession of breaches or defaults, shall not deprive such party of any right to terminate this Agreement in the event of any subsequent breach or default.

Section 8. Assignability.

This Agreement may not be transferred or assigned by Licensee without the prior written consent of WARF.

Section 9. Contest of Validity.

In the event Licensee or its sublicensee(s) contest the validity or enforceability of any Licensed Patent, Licensee and its sublicensee(s) shall continue to pay royalties with respect to that patent as if such contest were not underway until the patent is adjudicated invalid or unenforceable by a court of last resort.

Section 10. Enforcement.

WARF intends to protect the Licensed Patents against infringers or otherwise act to eliminate infringement when, in WARF's sole judgment, such action may be necessary, proper, justified and makes reasonable business sense considering all factors. In the event that Licensee or its sublicensee(s) believe there is infringement of any Licensed Patent under this Agreement which is to its substantial detriment, Licensee shall provide WARF with notification and reasonable evidence of such infringement.

Section 11. Patent Marking.

Licensee and its sublicensee(s) shall mark all Products or Product packaging with the appropriate patent number reference in compliance with the requirements of U.S. law, 35 U.S.C. § 287.

Section 12. Product Liability; Conduct of Business.

A. Licensee shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold WARF and the inventors of the Licensed Patents harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever resulting from the production, manufacture, sale, use, lease, consumption or advertisement of Products arising from any right or obligation of Licensee or its sublicensee(s) hereunder. WARF at all times reserves the right to select and retain counsel of its own to defend WARF's interests.

B. Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to the risk involved in marketing the products subject to this Agreement and that such insurance coverage lists WARF and the inventors of the Licensed Patents as additional insureds. Within ninety (90) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to WARF that the coverage is being maintained with WARF and its inventors listed as additional insureds. In addition, Licensee shall provide WARF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

Section 13. Use of Names.

Neither Licensee nor its sublicensee(s) shall use WARF's name, the name of any inventor of inventions governed by this Agreement, or the name of the University of Wisconsin in sales promotion, advertising, or any other form of publicity without the prior written approval of the entity or person whose name is being used.

Section 14. United States Government Interests.

It is understood that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Licensed Patents were conceived or made, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. §§ 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Licensed Patents for governmental purposes. Any license granted under this Agreement to Licensee or any of its sublicensee shall be subject to such right.

Section 15. Miscellaneous.

This Agreement shall be governed by and construed in all respects in accordance with the laws of the State of Wisconsin. If any provisions of this Agreement are or shall come into conflict with the laws or regulations of any jurisdiction or any governmental entity having jurisdiction over the parties or this Agreement, those provisions shall be deemed automatically deleted, if such deletion is allowed by relevant law, and the remaining terms and conditions of this Agreement shall remain in full force and effect. If such a deletion is not so allowed or if such a deletion leaves terms thereby made clearly illogical or inappropriate in effect, the parties agree to substitute new terms as similar in effect to the present terms

of this Agreement as may be allowed under the applicable laws and regulations. The parties hereto are independent contractors and not joint venturers or partners.

Section 16. Notices.

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given at the earlier of the time when actually received as a consequence of any effective method of delivery, including but not limited to hand delivery, transmission by telecopier, or delivery by a professional courier service or the time when sent by certified or registered mail addressed to the party for whom intended at the address below or at such changed address as the party shall have specified by written notice, provided that any notice of change of address shall be effective only upon actual receipt.

- (a) Wisconsin Alumni Research Foundation  
Attn: Contracts Manager  
614 Walnut Street  
Madison, Wisconsin 53726
- (b) Enable IPC  
Attn: David Walker  
25520 Ave. Stanford #311  
Valencia, CA 91355

Section 17. Integration.

This Agreement constitutes the full understanding between the parties with reference to the subject matter hereof, and no statements or agreements by or between the parties, whether orally or in writing, except as provided for elsewhere in this Section 17, made prior to or at the signing hereof, shall vary or modify the written terms of this Agreement. Neither party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other party, and specifically states that it is an amendment to this Agreement.

Section 18. Confidentiality.

The parties hereto agree to keep any information identified as confidential by the disclosing party confidential using methods at least as stringent as each party uses to protect its own confidential information. "Confidential Information" shall include Licensee's development plan and development reports, the Licensed Patents and all information concerning them and any other information marked confidential or accompanied by correspondence indicating such information is exchanged in confidence between the parties. Except as may be authorized in advance in writing by WARF, Licensee shall only grant access to WARF's Confidential Information to its sublicensee(s) and those employees of Licensee and its sublicensee(s) involved in research relating to the Licensed Patents. Licensee shall require its sublicensee(s) and all such employees to be bound by terms of confidentiality no less restrictive than those set forth in this Section 18. Licensee and its sublicensee(s) shall not use any Confidential Information to WARF's detriment, including, but not limited to, claiming priority to the Licensed Patents in any patent prosecution. The confidentiality and use obligations set forth above apply to all or any part of the Confidential Information disclosed hereunder except to the extent that:

- (i) WARF, Licensee or its sublicensee(s) can show by written record that it possessed the information prior to its receipt from the other party;
- (ii) the information was already available to the public or became so through no fault of WARF, Licensee or its sublicensee(s);
- (iii) the information is subsequently disclosed to WARF, Licensee or its sublicensee(s) by a third party that has the right to disclose it free of any obligations of confidentiality; or
- (iv) five (5) years have elapsed from the expiration of this Agreement.

Section 19. Authority.

The persons signing on behalf of WARF and Licensee hereby warrant and represent that they have authority to execute this Agreement on behalf of the party for whom they have signed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

**WISCONSIN ALUMNI RESEARCH FOUNDATION**

By: /s/ Craig J. Christianson

Date: December 11, 2007

Craig J. Christianson, Director of Licensing

**ENABLE IPC**

By: /s/ David A. Walker

Date: December 13, 2007

Name and Office: David Walker, CEO

## APPENDIX A

A. “Licensed Patents” shall refer to and mean those patents and patent applications listed on Appendix B attached hereto in countries in the Licensed Territory and any subsequent patent application owned by WARF in a country in the Licensed Territory but only to the extent it claims priority to an invention claimed in a patent application listed on Appendix B.

B. “Products” shall refer to and mean any and all products that employ or are in any way produced by the practice of an invention claimed in the Licensed Patents or that would otherwise constitute infringement of any claims of the Licensed Patents.

C. “Selling Price” shall mean, in the case of Products that are sold or leased, the invoice price to the end user of Products (regardless of uncollectible accounts) less any shipping costs, allowances because of returned Products, or sales taxes. The “Selling Price” for a Product that is transferred to a third party for promotional purposes without charge or at a discount shall be the average invoice price to the end user of that type of Product during the applicable calendar quarter.

D. “Development Report” shall mean a written account of Licensee’s progress under the development plan having at least the information specified on Appendix D to this Agreement, and shall be sent to the address specified on Appendix D.

E. “Licensed Field” shall be limited to the field of capacitors for consumer and industrial applications, excluding transportation-related applications.

F. “Licensed Territory” shall be limited to the United States and those countries or regions for which Licensee has paid to WARF the foreign filing fees as required under Section 4D above.

G. “Non-Commercial Research Purposes” shall mean the use of the inventions of the Licensed Patents and/or Improvements for academic research purposes or other not-for-profit or scholarly purposes not involving the use of the inventions of the Licensed Patents or Improvements to perform services for a fee or for the production or manufacture of products for sale to third parties.

**APPENDIX B**

**LICENSED PATENTS**

REFERENCE NUMBER                      COUNTRY                      PATENT NUMBER                      ISSUE DATE                      APPLICATION SERIAL NUMBER

---

**NANOPOROUS INSULATING OXIDE ELECTROLYTE MEMBRANE ULTRACAPACITOR AND BUTTON CELL, AND METHOD OF MANUFACTURE AND USE THEREOF ( ANDERSON Marc A, LEONARD Kevin C)**

P06293US	UNITED STATES			11/932519
P06293WO	PCT			

## Exhibit C: SolRayo Purchase Agreement

### LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

This LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT is dated as of October 1, 2008, by and among Enable IPC Corporation, a Corporation organized under the laws of the State of Delaware ("EIPC") and SolRayo, LLC, a limited liability company organized under the laws of the State of Wisconsin ("SolRayo"), together the "Parties".

WHEREAS, EIPC wishes to obtain 50.01% of the total membership interest in SolRayo representing 50.01% as described in the New LLC Agreement (as defined herein), for the purpose of advancing certain technologies owned by EIPC; and

WHEREAS, SolRayo has been awarded a grant from the Wisconsin Energy Independence Fund ("WEIF") for the purpose of advancing said technologies; and

WHEREAS, said grant requires a commitment for match funding in accordance with WEIF program guidelines ("Match Funding")

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, and for the mutual covenants, promises and conditions set forth herein, the Parties do hereby agree as follows:

#### 1. Purchase and Sale of Membership Interests.

1.1 Sale and Purchase. EIPC does hereby purchase from SolRayo, and SolRayo does hereby sell and issue to EIPC, Class A Membership Interests in SolRayo representing 50.01% of the total outstanding SolRayo membership interests in consideration for the purchase of said membership (the "Membership Interests"). EIPC shall provide Match Funding to SolRayo under the terms of the aforementioned WEIF grant (the "Purchase Price"), subject to the terms and conditions of this Agreement and on the basis of the representations, warranties, covenants and agreements contained herein (the "Sale and Purchase").

1.2 Closing. The Sale and Purchase shall take place on the date hereof at the offices of Enable IPC Corporation, 29033 Avenue Sherman, Suite 202, Valencia, California 91355 (which time and place are designated as the "Closing").

1.3 Deliveries at Closing. At the Closing, the parties shall, respectively, make the following simultaneous deliveries:

(a) SolRayo shall deliver to EIPC: (i) a certificate or certificates representing the Membership Interests, duly executed on behalf of SolRayo and (ii) the First Amended Operating Agreement of SolRayo, LLC, effective October 1, 2008 (the "New LLC Agreement"), in the form of Exhibit A hereto, duly executed on behalf of SolRayo, Kevin C. Leonard, and ParaSol Technologies, LLC (the "Existing Members").

(b) EIPC shall deliver to SolRayo the New LLC Agreement duly executed on behalf of EIPC.

(c) EIPC agrees to provide Match Funding in cash or in-kind contributions of goods and/or services amounting to \$250,000 to match the WEIF grant amount, pursuant to the terms and conditions set forth in such grant. Both Parties

recognize that without EIPC's agreement to provide this Match Funding, the grant would not be awarded to SolRayo.

(d) The parties shall execute and deliver such other documents as are customary and reasonably necessary to consummate the transactions contemplated hereby.

2. Representations and Warranties of SolRayo. SolRayo hereby represents and warrants to EIPC as of the date hereof and as of the Closing as follows:

2.1 Organization and Qualification. SolRayo is a limited liability company duly organized and validly existing under the laws of the State of Wisconsin. SolRayo has all requisite power and authority to carry on its business as currently conducted, other than such failures that would not reasonably be expected to have a material adverse effect on SolRayo's business, properties or financial condition (a "Material Adverse Effect"). SolRayo is duly qualified to transact business in each jurisdiction in which the failure to be so qualified would reasonably be expected to have a Material Adverse Effect.

2.2 Capitalization. As of the Closing, SolRayo's authorized equity will consist of 10,000 Class A Units and 10,000 Class B Units. As of the Closing, an aggregate of 10,000 Class A Units will be issued and outstanding, as set forth on Exhibit B hereto; no Class B Units will be issued or outstanding. Other than such membership interests, as of the Closing, there will be no options to acquire Class A or Class B Units or any other equity interest in SolRayo issued or outstanding.

Further, SolRayo represents and warrants to EIPC that all outstanding equity interests have been issued in compliance with all applicable state and federal securities laws.

2.3 Subsidiaries. SolRayo does not presently own or control, directly or indirectly, any interest in any other corporation, association, or other business entity, including but not limited to any such entity that may be known as "SolRayo WT". SolRayo is not a participant in any joint venture, partnership, or similar arrangement, including any of the foregoing that may be referred to as "SolRayo WT".

2.4 Authorization. As of the Closing, all action on the part of SolRayo, its officers (if any), directors (if any) and Existing Members necessary for the authorization, execution and delivery of this Agreement and the New LLC Agreement, and the performance of all obligations of SolRayo hereunder and thereunder shall have been taken, and this Agreement and the New LLC Agreement, assuming due execution by EIPC, will constitute valid and legally binding obligations of SolRayo and the Existing Members, enforceable in accordance with their respective terms, subject to: (i) judicial principles limiting the availability of specific performance, injunctive relief and other equitable remedies and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

2.5 Valid Issuance of Membership Interests. The Membership Interests, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, shall be duly and validly issued and will be free of restrictions on transfer directly or indirectly created by SolRayo other than restrictions on transfer under this Agreement, the New LLC Agreement and under applicable state and federal securities laws.

2.6 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of SolRayo is

required in connection with the offer, sale or issuance of the Membership Interests.

SolRayo shall ensure that all required filings of such notices as may be required under the Securities Act of 1933, as amended (the "Securities Act"); the filing of a notice of exemption pursuant to Section 25102(f) of the California Corporate Securities Law of 1968, as amended (the "California Securities Law"); and the compliance with any other applicable state securities laws, which compliance will have occurred within the appropriate time periods therefor.

2.7 Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of SolRayo's knowledge, threatened before any court, administrative agency or other governmental body against SolRayo. SolRayo is not a party or subject to, and none of its assets is bound by, the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which would reasonably be expected to have a Material Adverse Effect.

2.8 Employees. Except as set forth on Schedule 2.8 hereto, SolRayo is not a party to or bound by any currently effective employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement or other employee compensation agreement or arrangement with any collective bargaining agent. No employee of SolRayo is represented by any labor union or covered by any collective bargaining agreement. There is no pending or, to the best of SolRayo's knowledge, threatened labor dispute involving SolRayo and any group of its employees.

2.9 Intellectual Property. SolRayo has sufficient title to and ownership of, or other rights to use, all trade secrets, and, to its knowledge, copyrights, information, proprietary rights, trademarks, service marks and trade names in each case necessary for its business as now conducted without any material conflict with or infringement of the rights of others, except where such failures or conflicts would not reasonably be expected to have a Material Adverse Effect. There are no material outstanding options, licenses, or agreements of any kind relating to the foregoing, nor is SolRayo bound by or a party to any material options, licenses or agreements of any kind with respect to the trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person or entity. SolRayo has not received any written, or to its knowledge, oral communications alleging that SolRayo has violated or, by conducting its business as proposed, would violate any of the trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity, except for such violations as would not reasonably be expected to have a Material Adverse Effect.

2.10 Compliance with Other Instruments. SolRayo is not in violation or default of any provision of its Articles of Organization or the LLC Agreement, each as in effect immediately prior to the Closing, and is in good standing with the State of Wisconsin. SolRayo is not in violation or default of any provision of any material instrument, mortgage, deed of trust, loan, contract, commitment, judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound which would reasonably be expected to have a Material Adverse Effect. To the best of its knowledge, SolRayo is not in violation or default of any provision of any federal, state or local statute, rule or governmental regulation. The execution, delivery and performance of and compliance with this Agreement, the New LLC Agreement and the issuance and sale of the Membership Interests, will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained), or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of SolRayo pursuant to any such provision.

2.11 Permits. SolRayo has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business as now being conducted by it. SolRayo is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority.

2.12 Environmental and Safety Laws. To the best of its knowledge, SolRayo is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, except for such violations as would not reasonably be expected to have a Material Adverse Effect.

2.13 Registration Rights. Except as provided in the New LLC Agreement and its predecessor agreement(s), SolRayo has not granted or agreed to grant any registration rights, including piggyback rights, to any person or entity.

2.14 Title to Property and Assets. SolRayo has good and marketable title to all of properties and assets owned by it, free and clear of all mortgages, liens and encumbrances, except liens for current taxes and assessments not yet due and possible minor liens and encumbrances which do not, in any case, materially detract from the value of the property subject thereto or materially impair the operations of SolRayo. With respect to the material property and assets it may lease, SolRayo is in material compliance with such leases (if any) and, to the best of its knowledge, holds a valid leasehold interest free of all liens, claims or encumbrances, except for such liens, claims or encumbrances which would not materially impair the operations of SolRayo. SolRayo's material properties and assets are in good condition and repair, in all material respects, for the purposes for which they are currently used, ordinary wear and tear excepted.

2.15 Financial Statements and Other Instruments. SolRayo will deliver to EIPC copies of all financial statements and other documents listed in Exhibit C on or before September 30, 2008. The financial statements shall fairly present, in all material respects, the financial position, results of operations and other information of SolRayo as of the dates and for the periods indicated, subject to normal year-end adjustments. SolRayo has no material liabilities or obligations, except those listed below:

2.16 Agreements; Actions.

(a) There are no agreements, understandings or proposed transactions between SolRayo and any of its employees, officers, directors, affiliates, or any affiliate thereof.

(b) Other than the LLC Agreement, there are no agreements, understandings, instruments, contracts, judgments, orders, writs or decrees to which SolRayo is a party or by which it is bound.

(c) Since the date of the latest interim financial statements presented to EIPC, SolRayo has not (i) incurred indebtedness for money borrowed or (ii) sold, exchanged or otherwise disposed of any of its assets or rights.

2.17 Tax Returns and Audits. SolRayo (a) is characterized as a partnership for United States federal income tax purposes, and (b) has prepared and filed all United States federal, state and local income tax returns required to be filed by it and has or shall provide copies of all these returns to EIPC on or before September 30, 2008. To the best of SolRayo's knowledge, there has been no deficiency

assessment or proposed adjustment by any taxing authority to SolRayo's federal, state, or local income taxes, and none is pending.

2.18 No Implied Representations. Except as expressly set forth herein or in the New LLC Agreement, SolRayo makes no representations or warranties of any kind to EIPC.

2.19 Brokers or Finders. SolRayo has not agreed to incur, directly or indirectly, any liability for brokerage or finders' fees, agents' commissions or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

3. Representations and Warranties of EIPC. EIPC hereby represents and warrants that:

3.1 Experience. EIPC is experienced in evaluating companies such as SolRayo, is able to fend for itself in transactions such as the one contemplated by this Agreement, has such knowledge and experience in financial and business matters that EIPC is capable of evaluating the merits and risks of its prospective investment in SolRayo, and has the ability to bear the economic risks of the investment.

3.2 Investment. EIPC is acquiring the Membership Interests for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. EIPC further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the Membership Interests. EIPC understands and acknowledges that the offering of the Membership Interests pursuant to this Agreement will not be registered under the Securities Act nor under the state securities laws on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from the registration requirements of the Securities Act and any applicable state securities laws.

3.3 No Public Market. EIPC understands that no public market now exists for the Membership Interests, and that there may never be a public market for the Membership Interests.

3.5 Access to Data. EIPC is entering into this Agreement on the basis of reliance on certain representations made by SolRayo and its Existing Members. EIPC has not had the opportunity to conduct full due diligence and may, at its sole option, terminate this Agreement in its entirety should it find, in its due diligence, that any information provided by SolRayo has not been complete, accurate or truthful, whether or not deliberate on the part of SolRayo. EIPC shall receive and review information about SolRayo and shall have additional opportunities to discuss SolRayo's business, management and financial affairs with its management and to review all of SolRayo's facilities and documents. EIPC understands that such discussions, as well as any written information provided by SolRayo, are intended to describe the aspects of SolRayo's business and prospects which SolRayo believes to be material. Notwithstanding the foregoing, EIPC acknowledges that some of such information includes projections as to the future performance of SolRayo, which projections may not be realized, are based on assumptions which may not be correct and are subject to numerous factors beyond SolRayo's control.

3.6 Authorization. As of the Closing, all action on the part of EIPC and its respective officers and directors necessary for the authorization, execution and delivery of this Agreement and the New LLC Agreement and the performance of all obligations of EIPC hereunder and thereunder shall have been taken, and this

Agreement and the New LLC Agreement, assuming due execution by SolRayo and the Existing Members, constitute valid and legally binding obligations of EIPC, enforceable in accordance with their respective terms, subject to: (i) judicial principles limiting the availability of specific performance, injunctive relief, and other equitable remedies and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

3.7 Compliance with Other Instruments. EIPC is not in violation or default of any provision of its certificate of incorporation or other organizational documents, as applicable, each as in effect immediately prior to the Closing, except for such failures as would not be reasonably expected to materially adversely effect the ability of EIPC to perform its obligations under this Agreement (a "EIPC Material Adverse Effect"). Neither is EIPC in violation or default of any provision of any material instrument, mortgage, deed of trust, loan, contract, commitment, judgment, decree, order or obligation to which it is a party or by which it or any of its properties or assets are bound which would reasonably be expected to have a EIPC Material Adverse Effect. To the best of its knowledge, EIPC is not in violation or default of any provision of any federal, state or local statute, rule or governmental regulation which would reasonably be expected to have an EIPC Material Adverse Effect. The execution, delivery and performance of and compliance with this Agreement and the New LLC Agreement will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained), or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of EIPC pursuant to any such provision.

4. Covenants. SolRayo and EIPC agree to act in good faith and use their reasonable best efforts in developing the business of SolRayo and maximizing the value to members and stockholders of both Parties.

5. Miscellaneous.

5.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of California, without regard to any provisions thereof relating to conflicts of laws among different jurisdictions, and venue for any action between the Parties shall be in Los Angeles County, California.

5.2 Survival. The representations and warranties made herein shall survive the Closing for a period of five years, whereupon they shall cease and be of no further force and effect.

5.3 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties hereto. This Agreement shall not be construed so as to confer any right or benefit on any party not a party hereto, other than their respective successors, assigns, heirs, executors and administrators.

5.4 Entire Agreement; Amendment. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof and supersede all prior agreements and understandings relating thereto. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

5.5 Notices, Etc. All notices under this Agreement shall be sufficiently given for all purposes if made in writing and delivered personally, sent by documented overnight delivery service or, to the extent receipt is confirmed, facsimile or other electronic transmission, to following addresses and numbers. Notices to SolRayo shall be addressed to:

SolRayo, LLC  
617 Orion Trail  
Madison, Wisconsin 53718  
Telephone: (262) 909-2479  
Attn: Kevin C. Leonard

or at such other address and to the attention to such other person as SolRayo may designate by written notice to EIPC. Notices to EIPC shall be addressed to:

Enable IPC Corporation  
29033 Avenue Sherman, Suite 202  
Valencia, California 91355  
Telephone: (661) 775-9273  
Facsimile: (661) 775-9274  
Attn: David A. Walker

or at such other address and to the attention of such other person as EIPC may designate by written notice to SolRayo.

5.6 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of the other party under this Agreement shall impair any such right, power or remedy of such first party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any holder of any breach or default under this Agreement, or any waiver on the part of any holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Agreement.

5.7 Expenses. SolRayo and EIPC shall each bear the expenses and legal fees incurred on their own behalf with respect to this Agreement and the transactions contemplated hereby.

5.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by only one party, which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

5.9 Severability; Enforcement. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without such provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party. The parties hereto agree that irreparable damage for which money damages would not be an adequate remedy would occur in the event that any of the provision of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that, in addition to any other remedies a party may have at law or

equity, the parties shall be entitled to seek an injunction of injunctions to prevent such breached of this Agreement and to enforce specifically the terms hereof.

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

FOR ENABLE IPC CORPORATION

By: /s/ David A. Walker  
Name: David A. Walker  
Title: Chairman and Chief Executive Officer

FOR SOLRAYO, LLC

By: /s/ Kevin C. Leonard  
Name: Kevin C. Leonard  
Class A Member

By: /s/ Marc A. Anderson  
By: /s/ Dean T. Tompkins  
By: /s/ Walter A. Zeltner

For ParaSol Technologies  
Class A Member

OPERATING AGREEMENT  
OF  
SOLRAYO, LLC  
EFFECTIVE  
March 1, 2007

OPERATING AGREEMENT

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (the "Agreement") is effective as of March 1, 2007, by and among SolRayo, LLC, a Wisconsin limited liability company (the "Company") and the undersigned Members.

RECITALS

- A. The Company's Articles of Organization were filed with the Wisconsin Department of Financial Institutions on December 11, 2006.
- B. The Members desire to set forth their respective duties and responsibilities as well as the division of potential profits and losses resulting from ownership and operation of the Company's business.

AGREEMENTS

In consideration of the Recitals and mutual agreements set forth herein, the Company and the Members hereby agree as follows:

1. Formation of Company; Registered Office and Agent; Term. The Company was organized effective December 11, 2006 upon the filing of the Articles of Organization with the Wisconsin Department of Financial Institutions. The Company's current principal business office and postal address is 1202 Ann Street, Madison, Wisconsin 53713. The principal business office and postal address of the Company may be changed from time to time as determined by the Members. The Company's current registered office is 411 East Wisconsin Avenue, Suite 2040, Milwaukee, Wisconsin, 53202, and the Company's registered agent is Lawdock, Inc. The registered office and the registered agent of the Company may be changed from time to time as determined by the Members. The term of the Company's existence shall be perpetual unless the Company is dissolved or merged in accordance with the provisions of this Agreement or the Wisconsin Act.
2. Purpose of the Company. The Company's general purpose and business is to pursue such business and investment opportunities as the Members determine may be beneficial for the Company and which are not prohibited by this Agreement or the Wisconsin Act.
3. Addresses of the Members. The addresses of the Members are as set forth in the Company's records, as may be updated from time to time.

4. Definitions. The following terms used in this Agreement shall be given the following meanings:

(a) "Adjusted Capital Account Deficit" has the meaning given in the Tax Allocation Provisions described in Exhibit B to this Agreement.

(b) "Adjusted Capital Contribution" means, as of any day, a Member's Initial Capital Contribution relating to his, her or its Units, reduced by the amount of cash and the fair market value of any Company property (net of debt) distributed to such Member pursuant to section 7(b).

(c) "Articles of Organization" means the Articles of Organization of the Company filed with the Wisconsin Department of Financial Institutions, as amended from time to time.

(d) "Asset Disposition" means any sale or transfer of all or substantially all of the assets of the Company and/or its subsidiaries to one or more unrelated third Persons through any transactions or series of related transactions.

(e) "Capital Account" means the Capital Account maintained and adjusted for each Member pursuant to section 5.

(f) "Capital Contribution" means, in relation to any Member, the total amount of any cash and the agreed value of any contribution of property or services contributed or agreed to be contributed by a Member as set forth in the books and records of the Company.

(g) "Carrying Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Carrying Value of any asset contributed (or deemed contributed) to the Company shall be such asset's fair market value (without reduction for associated liabilities) at the time of such contribution;

(ii) if the Company elects to adjust the Capital Account balances of the Members to reflect the fair market value of the Company's assets at a given time in accordance with Treasury Regulations § 1.704-1(b)(2)(iv)(f), the Carrying Values of all Company assets shall be adjusted to equal their respective fair market values (without taking into account associated liabilities) at such time; and

(iii) the Carrying Value of an asset that has been determined pursuant to paragraph (I) or (ii) shall thereafter be adjusted as would the asset's adjusted basis for federal income tax purposes except that Depreciation and similar deductions shall be computed as provided in section 4(q).

(h) "Cause" means either (I) with respect to each Member, the definition assigned to it in such Member's employment agreement with the Company, if any, or (ii) if the Member is not a party to an employment agreement, a Member's [a] commission of a felony or crime

involving moral turpitude; [b] fraud, theft, or embezzlement with respect to the Company; [c] material misrepresentation to the officers of the Company; [d] failure to devote his or her best efforts to the performance of his or her duties and responsibilities to the Company or grossly incompetent performance of such duties; or [e] breach of any covenant made to the Company.

(i) "Class A Member" means each Member holding Class A Units as set forth on Exhibit A. Members may hold more than one class of Units.

(j) "Class A Unit" means a voting Unit of ownership in the Company and entitling the holder thereof to receive distributions and share in the allocations of Profits and Losses and other items as set forth in this Agreement.

(k) "Class B Member" means each Member holding Class B Units as set forth on Exhibit A. Members may hold more than one class of Units.

(l) "Class B Unit" means a nonvoting Unit of ownership in the Company and entitling the holder thereof to receive distributions and share in the allocations of Profits and Losses and other items as set forth in this Agreement.

(m) "Closing" means the closing of the purchase and sale of Units pursuant to this Agreement which shall take place at a time and place agreed to by the Purchaser and Transferring Member; provided, however, that in the absence of such an agreement, the Closing shall be at 10:00 a.m. at the Company's office on the first business day 45 days after the applicable purchase and sale obligation occurs subject, in all of the foregoing events, to any appropriate delay necessary to conduct an appraisal.

(n) "Code" means the Internal Revenue Code of 1986, as amended or corresponding provisions of subsequent superseding federal tax laws, as amended.

(o) "Company" means SolRayo, LLC, a Wisconsin limited liability company.

(p) "Control Transfer" means the Transfer of Units of the Company to one or more third Persons through any transaction or series of related transactions (whether by merger, consolidation or sale or transfer of the Company's Units, or any sale or issuance or series of sales or issuances of Units by the Company or any holder or holders of Units, or any merger or consolidation involving the Company) if, after such Transfer, the Members no longer beneficially own in the aggregate more than 50% of such Units then outstanding on a fully diluted basis.

(q) "Depreciation" means for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such year or other period, except that if the Carrying Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Carrying Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided,

however that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Carrying Value using any reasonable method selected by the Tax Matters Member (as defined in section 7(j) below).

(r) "Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

(s) "Event of Dissociation" means an event of dissociation as specified in the Wisconsin Act.

(t) "Fair Market Value" of a Unit means the amount that the Member holding such Unit would receive if:

(i) The Company sold all of its assets at a price equal to the cash or cash equivalent price at which a willing buyer would buy and a willing seller would sell all of the assets of the Company, neither being under any compulsion to buy or to sell and both having a reasonable knowledge of all relevant facts;

(ii) The Company allocated the gain and loss inherent in such assets and realized upon such sale (that was not previously reflected in the Capital Accounts) among the Members in accordance with section 6 of this Agreement; and

(iii) The Company wound up its affairs (including the discharge of any liabilities not assumed by the purchaser of its assets), liquidated and distributed the proceeds in accordance with section 12(b) of this Agreement.

(u) "Family Member" means a Member's spouse, issue (including adopted children) and step-children.

(v) "Fiscal Year" means the Company's fiscal year, which shall end on December 31 of each year.

(w) "GAAP" means generally accepted accounting principles, consistently applied.

(x) "Independent Appraiser" means a Person who (i) is a regionally recognized investment banking or appraisal firm; (ii) is qualified in the valuation of business transactions and securities of the general type being analyzed; and (iii) does not have a material direct or material indirect interest in the Company or any Member.

(y) "Initial Capital Contribution" means a Member's initial contribution to the capital of the Company pursuant to this Agreement, all as set forth on Exhibit A.

(z) "Majority Vote" means the consent or affirmative vote of Members holding more than fifty percent (50%) of the Class A Units.

- (aa) "Member" means each of the parties who executes this Agreement as a Member and every party who may subsequently become a Member.
- (bb) "Membership Interest" shall mean a Member's entire interest in the Company, including such Member's right to participate in the management of the business and affairs of the Company.
- (cc) "Net Cash" means the gross cash proceeds from Company operations and the sale of its assets after the payment of all expenses and other charges, less the portion thereof used to pay or establish Reserves.
- (dd) "Nontransferring Members" means all of the Members other than the Transferring Member.
- (ee) "Percentage Interest" means, with respect to each Member, a percentage corresponding to a fraction (i) the numerator of which is the number of Units held by such Member, and (ii) the denominator of which is the sum of Units held by all Members, each calculated on a fully diluted basis. The initial Percentage Interests of the Members shall be as set forth in Exhibit A.
- (ff) "Permitted Transferee" means a trust established for the benefit of an Individual Member or his or her Family Member provided, however, that the beneficiary of such trust does not act as the trustee for the trust.
- (gg) "Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.
- (hh) "Prime Rate" means the publicly-announced base rate for interest determination at the Company's primary bank lender. The Prime Rate on any note issued under the terms of this Agreement shall be determined annually on the anniversary date of Closing based upon the then prevailing Prime Rate and shall remain in effect until the following anniversary when an appropriate readjustment shall be made based upon the then prevailing Prime Rate.
- (ii) "Profits and Losses" means for each fiscal year of the Company or other period of the Company, an amount equal to the Company's taxable income or loss for the year or other period, determined in accordance with section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately under section 703(a)(1) of the Code), with the following adjustments:
- (i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this section shall be added to such taxable income or loss;
  - (ii) Any expenditures of the Company described in Code section 705(a)(2)(B) or treated as Code section 705(a)(2)(B) expenditures pursuant to Treasury Regulations

section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computed Profits or Losses pursuant to this section 4(ii) shall be subtracted from such taxable income or loss;

(iii) If the Carrying Value of any Company asset is adjusted pursuant to section 4(h) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset as if such asset was sold for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to its Carrying Value, notwithstanding that the adjusted tax basis of such property differs from its Carrying Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with section 4(p) hereof; and

(vi) Notwithstanding any other provision in this section, any items which are specifically allocated pursuant to the Tax Allocation Provisions hereof shall not be taken into account in computing Profits or Losses in order to reflect such adjustment in the Capital Accounts of the Members.

(jj) "Purchase Price" means the Value of the Units being sold by the Transferring Member as mutually determined by Voting Members on a quarterly basis. If the Voting Members fail to agree upon a Purchase Price at any quarterly period, the Purchase Price shall remain at the Purchase Price previously agreed to. However, if the Voting Members have failed to agree on a Purchase Price for more than two years, either the Transferring Member or the Purchaser may give a written notice (the "Impasse Notice") stating that the notice giver is willing to purchase or sell, as the case may be, at such price as is specified in the Impasse Notice (the "Impasse Price"). Within 10 business days after its receipt, the recipient of the Impasse Notice shall, by notice in writing, either accept the Impasse Price or reject it and, in the case of rejection, an Independent Appraiser mutually selected by the parties shall determine the Fair Market Value of the Transferring Member's Units. If the parties fail to agree upon an Independent Appraiser within 20 business days after the delivery of the Impasse Notice, within 30 days after delivery of the Impasse Notice, each party shall select an Independent Appraiser by written notice to the other and the two appraisers so selected shall select a third Independent Appraiser. If any party fails to designate an appraiser on a timely basis, the appraiser named by the other party alone shall determine the Fair Market Value. The party rejecting the Impasse Price shall bear the cost of the appraisal unless it yields a purchase price at least 5% higher or lower than the Impasse Price, as the case may be, in favor of such party, in which case the party delivering the Impasse Notice shall bear the cost of the appraisal. The Purchase Price shall be determined as of the end of the second most recent month immediately preceding Closing.

(kk) "Purchaser" means the purchaser of Units under this Agreement.

(ll) "Reserves" means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts which the Members deem sufficient for working capital, to pay taxes, insurance, debt service or other costs, operating expenses, capital improvements or liabilities incident to the ownership or operation of the Company's business.

(mm) "Substitute Member" means a transferee of Units admitted as a Substitute Member pursuant to section 11(j).

(nn) "Tax Allocation Provision" means the special tax allocation provisions set forth on Exhibit B and incorporated herein by reference.

(oo) "Transfer" means any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation, or other transfer, absolute or as security or encumbrance (including dispositions by operation of law).

(pp) "Transferring Member" shall collectively mean a Member or his, her or its legal representative, as the case may be, who is selling or otherwise transferring some or all of his, her or its Membership Interest or is contemplating such a sale or transfer.

(qq) "Treasury Regulations" shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

(rr) "Unit" means the measure of ownership participation used to represent a Membership Interest in the Company and includes Class A and Class B Units. The Units shall be the basis for determining a Member's Percentage Interest and represent a Member's right to participate in the management of the business and affairs of the Company, including the right, if applicable, to vote on, consent to, or otherwise participate in any decision or action of or by the Members. Units may be issued, held and voted in whole or fractional denominations. The initial Unit ownership of the Members is set out on Exhibit A.

(ss) "Wisconsin Act" means the Wisconsin Limited Liability Company Act (Wisconsin Statutes, Chapter 183), as amended from time to time and any successor to such statute.

## 5. Contributions to the Company, Capital Accounts and Loans.

(a) Capital Accounts. An individual Capital Account shall be maintained for each Member and initially shall consist of such Member's Initial Capital Contribution and such Member's share of the Company's Profits and Losses as described in section 6 and the Tax Allocation Provisions. Each Member's Capital Account shall be increased by (i) the fair market value of such Member's capital contributions (net of liabilities secured by contributed property that the Company is considered to assume or take subject to under section 752 of the Code); and (ii) allocations to such Member of Profits of the Company. Each Member's Capital Account shall

be decreased by [a] such Member's share of distributions; [b] the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under section 752 of the Code); and [c] allocations to such Members of Losses of the Company. Each Member's Capital Account shall be further adjusted to the special allocations of income, gain, loss or deduction as provided in the Tax Allocation Provisions.

(b) Initial Capital Contribution. The Members will make, or have made, as the case may be, the Initial Capital Contributions.

(c) Additional Capital Calls. Upon approval by Majority Vote, the Company may notify each Member that additional capital is necessary or desirable for the Company's operations. Such notice shall include: (i) the total amount of Capital Contributions requested by the Company (a "Capital Call"), (ii) each Member's expected Capital Contribution, which shall be such Member's pro rata share of the amount of the Capital Call based upon each Member's Percentage Interest, (iii) the number of Units that the Company intends to issue to each Member in exchange for each such Capital Contribution, and (iv) the price for each Unit based on the amount of the Capital Call divided by the total number of Units the Company intends to issue related to the Capital Call (the "Price Per Unit"). If any Member fails to make the requested Capital Contribution, or any portion thereof, within 30 days of the date of such notice, then the Company shall notify each Member, who made the Capital Contribution requested of such Member, that such Member may purchase additional Units by making additional Capital Contributions equal to such Member's pro rata share of Capital Contributions that were not made as requested, based on the Units held by such Member as a percentage of the total Units held by the Members who made the requested Capital Contribution. The Percentage Interest of any Member who fails to make a Capital Contribution, or part thereof, in response to notice of a Capital Call will be diluted as new Units are issued pursuant to such Capital Call. If the Members do not make Capital Contributions equal to the aggregate amount of the Capital Call within 60 days of the notice of such Capital Call, then, upon Majority Vote, the Company may sell any related un-issued Units to a third party who is not a Member; provided however that the price for any Unit sold to such third party shall not be less than the Price Per Unit set forth in the notice of the Capital Call.

(d) Transfer of Capital Account. If a permitted sale or exchange of a Member's interest in the Company occurs, the Capital Account of the Member transferor shall become the Capital Account of the transferee to the extent it relates to the transferred interest in accordance with Treasury Regulation section 1.704-1(b)(2)(iv).

(e) Compliance with Code Section 704(b). The manner in which Capital Accounts are to be maintained pursuant to this section 5 is intended to comply with the requirements of Code section 704(b) and the Treasury Regulations promulgated thereunder. If, in the opinion of the Company's accountants or attorneys, the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this section 5 should be modified in order to comply with Code section 704(b) and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in this Agreement, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of

maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

(f) Return of Capital Account. Except as otherwise expressly required in this Agreement or the Wisconsin Act (and subject to sections 5(a) and (b)), no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

(g) Payment of Company Liabilities. A Member shall not receive out of the Company's property any part of his, her or its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(h) Form of Payment. A Member, irrespective of the nature of his, her or its Capital Contribution, does not have any right to demand and receive a specific form of payment for such Member's Capital Contribution.

(i) Loans from and to Members. The Company may make a loan to or obtain a loan from a Member, provided the terms thereof are approved by Majority Vote.

6. Profits and Losses. Subject to the Tax Allocation Provisions and section 7(c) which controls upon liquidation:

(a) Profit Allocations. Profits for any Fiscal Year shall be allocated:

(i) First, to each Member in proportion to the Losses previously allocated to them in accordance with sections 6(b)(i) and 6(b)(ii) until the sum of all Profits allocated to such Member for such Fiscal Year and all prior Fiscal Years under this section 6(a)(i) equals the cumulative amount of Losses allocated to such Member under sections 6(b)(i) and 6(b)(ii) if any; and

(ii) Second, the balance among all Members in accordance with their Percentage Interests.

(b) Loss Allocations. Losses for any Fiscal Year shall be allocated:

(i) First, to each Member in accordance with their Percentage Interests until each such Member's Capital Account Balance is zero, if any; and

(ii) Second, the balance among all of the Members in accordance with their Percentage Interests.

7. Distributions.

(a) Annual Tax Distributions. The Company shall distribute to each Member, within 90 days after the end of each Fiscal Year of the Company in which Profits were allocated to the Members, an amount calculated as follows: (i) the sum of the highest marginal federal and

Wisconsin state income tax rates applicable to an individual taxpayer (such sum being expressed as a decimal), multiplied by (ii) such Member's share of Profits for such taxable year (the "Tax Distributions"). After the first Fiscal Year of the Company, the Company shall make each of the distributions required by the foregoing provisions of this subsection net of any distributions made pursuant to the following provision: Prior to April 15, June 15, September 15 and December 15 of any subsequent Fiscal Year (or such other dates on which individuals must pay estimated federal income taxes), the Company may distribute to each Member an amount equal to 25% of the amount of the distribution made to such Member under this section for the immediately previous Fiscal Year.

(b) Net Cash. Except as otherwise provided in sections 7(a) or 7(c), the Company shall distribute Net Cash, if any, at such time as the Members may agree by Majority Vote, to all of the Members in proportion of their Percentage Interests.

(c) Distributions Upon Liquidation. Upon liquidation of the Company, liquidating distributions will be made in accordance with the positive Capital Account balances of the Members, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs and all anticipated adjustments under this section. Liquidation proceeds will be paid by the end of the taxable year (or, if later, within 90 days after the date of the liquidation). The Company may offset damages for breach of this Agreement by a Member whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member. It is the intent of the Members, that upon liquidation of the Company, any liquidation proceeds available for distributions to the Members be distributed in accordance with the Members' respective Capital Account balances and the Members agree that the special allocations described below shall be made to cause the Members respective Capital Account Balances to equal the distributions contemplated under section 7(b). Accordingly, the Members agree that they may, to the extent allowed by the Code, make any special allocations of Profits, tax exempt income, Losses, nondeductible, noncapitalized expenditures and other items, including without limitation, gross income, as are necessary to cause the positive balances in the Members' respective Capital Account balances to equal the distributions contemplated by section 7(b). If, upon liquidation, and taking into account any special allocations made pursuant to the preceding sentence, there is any conflict between the distribution pursuant to the Members' respective Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in section 7(b), the Members shall, notwithstanding the provisions of section 6, allocate the Company's gains, Profits and Losses in a manner that will cause a distribution of liquidation proceeds to the Members to be in accordance with the Member's respective Capital Account balances.

(d) Distribution Following Withdrawal Event. Except as otherwise provided herein, no distributions, whether in redemption of a Membership Interest or otherwise, shall be made to a Member on account of an Event of Dissociation, except with the consent of all of the Members acting pursuant to section 10.

(e) Limitation Upon Distributions. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

(f) Interest On and Return of Capital Contributions. No Member shall be entitled to interest on his, her or its Capital Contribution or to a return of his, her or its Capital Contribution, except as otherwise specifically provided for herein.

(g) Reserves. The Members may from time to time establish Reserves for working capital needs, contingencies and capital improvements or replacements.

(h) Accounting Period. The Company's accounting period shall end on December 31 of each year.

(i) Records, Audits and Reports.

(i) Books of Account. The Company shall maintain full and accurate books of account which shall be kept at the principal Company office.

(ii) Bank Accounts. One or more bank accounts in which all funds of the Company shall be deposited shall be opened and maintained in the name of the Company. The funds in such account or accounts shall be disbursed solely for the business of the Company.

(j) Returns and Other Elections. The Members shall cause an officer of the Company to prepare and timely file all tax returns on behalf of the Company that are required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Such officer shall be the Tax Matters Member for purposes of the Code. Copies of such returns, or pertinent information there from, shall be furnished to the Members within a reasonable time after the end of the Company's Fiscal Year.

8. Management of the Company. The Company shall be managed by its Members in accordance with its Articles of Organization, the terms of this Agreement and the Act.

(a) Officers. The Class A Members may appoint a president, secretary, treasurer or such other officers as they may deem necessary or appropriate. The Class A Members may delegate to any such officer such authority to act on behalf of the Company as they may deem appropriate.

(b) Agents and Employees. The Class A Members may appoint, employ, or otherwise contract with other persons or entities for the transaction of business of the Company or the performance of services for or on behalf of the Company as they may deem necessary or appropriate. The Class A Members may delegate to any other person or entity such authority to act on behalf of the Company as they may deem appropriate.

(c) Authorization. No Member, officer, or other Person may execute any contract or other agreement or document on behalf of the Company or may execute and file on behalf of the Company with the secretary of state any document required or permitted to be filed under the Act without specific authorization by the Class A Members.

(d) Liability. No officer or agent appointed by the Class A Members shall be liable, responsible or accountable in damages or otherwise to the Company or to any Member for any acts performed or omitted by him, her or it in good faith except for acts or omissions that constitute gross negligence or willful misconduct.

9. Rights and Obligations of Members.

(a) Members.

(i) Limitation of Liability. Each Member's liability shall be limited to the maximum extent permitted under this Agreement, the Wisconsin Act and other applicable law.

(ii) Company Debt Liability. No Member shall be personally liable for any debts or Losses of the Company beyond his, her or its respective Capital Contribution, except as otherwise expressly agreed in writing or required by law.

(iii) Company Books. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy Company documents at the requesting Member's expense.

(iv) Priority and Return of Capital. Except as may be expressly provided to the contrary, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or distributions; provided that this section 9 shall not affect the right of a Member to receive payments of principal and/or interest with respect to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

(v) Liability of a Member to the Company. A Member who receives a distribution made by the Company which is either in violation of this Agreement or the Wisconsin Act is liable to the Company and its creditors only to the extent required by the Wisconsin Act.

10. Actions by Members.

(a) Manner of Acting. Actions of the Members may occur only at a meeting of the Members or pursuant to written consent of the Members as provided in section 10(e) of this Agreement. A Majority Vote shall be the act of the Class A Members unless otherwise provided herein. Whenever any act may be taken or authorized hereby the Class A Members, such act will be taken or authorized by Majority Vote.

(b) Proxies. A Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

(c) Members Entitled to Voting of Units. Each Class A Member shall be entitled to one vote for each Class A Unit such Member owns. Class B Units shall be nonvoting.

(d) Conduct of Meetings by or Through the Use of Communications Equipment. Any or all Members entitled to vote may participate in a regular or special meeting of the Members or other meeting required pursuant to this Agreement or the Wisconsin Act by or through the use of, any means of communication by which any of the following occurs: [a] all participating Members may simultaneously hear each other during the meeting; or [b] all communication during the meeting is immediately transmitted to each participating Member, and each participating Member is able to immediately send messages to all other participating Members. A Member participating in such a meeting is deemed to be present in person at the meeting.

(e) Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting by one or more written consents describing the action taken, signed by Members entitled to vote who hold the requisite number of Units necessary to approve such action and delivered to the Company for filing with the Company records. Within 10 business days of the approval of such action, the Company shall provide written notice of the action to the Members who were entitled to vote on the action but whose Units were not represented on the consent. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

(f) Waiver of Notice. Except as provided in section 10(e), written notice stating the time and date when the meeting is called shall be delivered to each Member entitled to vote at the meeting not less than two nor more than 30 business days before the date of the meeting. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

#### 11. Transferability.

(a) General. Except as expressly permitted by this Agreement or upon the consent or affirmative vote of Members holding a majority of the Class A Units, excluding the Class A Units (if any) held by the Member proposing to make the Transfer, a member shall not Transfer all or any portion of such Member's Units. Except as otherwise expressly provided in this Agreement, any Units Transferred (whether or not in compliance with the terms of this Agreement) shall continue to be subject to the provisions and restrictions contained in this Agreement. Any transferee, donee or other recipient of such Units shall be deemed to have accepted and agreed to be bound by the provisions and restrictions hereof as if such transferee had originally executed this Agreement as a party hereto. Additionally, the Units may not be Transferred in the absence of an effective registration statement under the Securities Act of 1933,

as amended, and any applicable state securities laws or an opinion of counsel acceptable to the Company and its counsel that such registration is not required.

Notwithstanding the foregoing, a Member may Transfer up to 20% of such Member's Units to a Permitted Transferee. A Member desiring to make a Transfer to a Permitted Transferee shall give to the Company and the other Members 30 days' prior written notice of such Transfer. Any Transfer in violation of this section 11(a) shall be ineffective. As a further condition of the Transfer to a Permitted Transferee, each Permitted Transferee shall have the obligation to sell the Units acquired directly or indirectly from any Member simultaneously with the obligation of such Member or his or her Personal Representative or its successor to sell such Units pursuant to this section 11 of this Agreement. Moreover, as a condition of any Transfer to a Permitted Transferee, each such Permitted Transferee shall execute and deliver a counterpart to this Agreement and agree to be bound by the terms and conditions herein.

(b) Units Subject to Agreement. The parties expressly agree that this Agreement covers all Units in the Company owned or acquired in the future by the Members or any party who receives any such Units. Any references to Members in this section 11 shall include Permitted Transferees.

(c) Termination of Employment of a Member. If the Company terminates a Member who is an employee of the Company (an "Employee Member") with Cause, then the Company shall have the option to purchase from the Employee Member all of the Employee Member's Units at 80% of the Purchase Price per Unit; provided, however, that the Company may elect to pay the Employee Member more for his or her Units. The Company shall pay the Purchase Price for the Employee Member's Units, at its sole option, either (i) in cash at Closing or (ii) 10% in cash at Closing and the balance in 36 equal monthly installments pursuant to a promissory note bearing interest at the Prime Rate. If an Employee Member's employment is terminated for Disability or for any other reason other than Cause or death, then the Employee Member, for a 30 day period from termination or disability, shall have the option to sell to the Company all of the Employee Member's Units at the Purchase Price. If the Employee Member fails to exercise the option set forth above, Company shall have the same option for a 90 day period after the end of Employee Members' option to purchase the Employee Member's Units at the Purchase Price. If the Company is required or elects to purchase the Employee Member's Units, the Company shall pay the Purchase Price for the Employee Member's Units, at its sole option, either (i) in cash at Closing or (ii) 10% in cash at Closing and the balance in 36 equal monthly installments pursuant to a promissory note bearing interest at the Prime Rate. For purposes of this section, "Disability" shall mean a physical or mental sickness or any injury that renders an Employee Member incapable of performing the services required of him or her as an employee of the Company and that does, or is expected to, continue for more than three months in any 12 month period. The Company shall determine the existence of a Disability and the date upon which it occurred. In the event of a dispute regarding whether or when an Employee Member's Disability occurred, the matter shall be referred to a medical doctor selected by the Company and such Employee Member. If they fail to agree upon such a doctor, each shall select a medical doctor who together shall select a third medical doctor who shall make such a determination. Such determination shall be binding upon the parties.

(d) Death. Upon the death of a Member (a "Deceased Member"), his or her personal representative shall sell to the Company, and the Company shall purchase, all of his or her Units at the Purchase Price. It is the intention of the parties hereto that a Deceased Member's personal representative may exercise all of the Deceased Member's rights, respectively, for the purpose of settling his or her estate or administering his or her property; provided, however, that no such personal representative is entitled to become a Member of the Company or transfer the Deceased Member's Units to any Person unless approved in accordance with this Agreement. The Company shall pay the Purchase Price for any Units purchased pursuant to this section, at its sole option, either (i) in cash at Closing or (ii) 10% of the Purchase Price in cash at Closing and the balance in 36 equal monthly installments pursuant to a promissory note bearing interest at the Prime Rate. Each Member agrees and acknowledges that the Company may purchase insurance to fund such purchase of the Member's Units, and such Members shall not be entitled to the proceeds from such insurance except as set forth under this Section 11(d). Each Member will submit to any reasonable physical exams which may be required for the Company to obtain good insurance.

(e) Dissolution of Marital Relationships/Involuntary Dissolution.

(i) Termination of Marital Relationship. If a Member's marriage terminates for any reason other than his or her death and the Member does not succeed to his or her spouse's interest in the Units held in such Member's name, then the Member shall have an option to purchase all of his or her spouse's interest in the Units and, upon exercise of such option, his or her spouse or his or her spouse's personal representative, special administrator or other successor in interest (the "Spouse's Personal Representative") shall be obligated to sell the spouse's interest in the Units to the Member. Such option may be exercised in writing within 90 days after the applicable "Termination Event."

"Termination Event" means [a] on the death of a spouse, the first to occur of [i] the filing by the Spouse's Personal Representative of a statement to close the estate pursuant to the relevant state's estates closing statute; [ii] the entry of the final judgment in a probate proceeding involving the spouse's estate; and [iii] any other similar order, judgment or other final determination of the deceased spouse's interest in the Units; and [b] on dissolution of the marriage, the entry of any order, judgment or decree determining the rights, if any, of the spouse's interest in the Units. If the Member fails to purchase his or her spouse's interest in the Units within the applicable 90-day period, the Company shall have the option, assignable to the other Members, to purchase the spouse's interest in the Units within a period of 90 days after the lapse of the initial 90-day period. For termination of marriage due to dissolution or his or her spouse's death, the Member shall, within 10 days of such dissolution or death or, if earlier on or before the Termination Event, give notice to the Company of such event. The purchase price for the spouse's interest in the Units shall be the Capital Account balance relating to such Units payable in cash at Closing.

(ii) Involuntary Disposition. Before any involuntary disposition (including, but not limited to, bankruptcy, insolvency, judgment lien or court order) of Units, the Member who owns such Units shall give to the Company written notice disclosing in full the nature or details of involuntary disposition and the Company shall have the option to

purchase the Units for a period of 60 days after receipt of such notice at the Capital Account balance relating to such Units payable in cash at Closing.

(f) Rights of Refusal.

(i) General. If a Member (the "Offering Member") receives a bona fide offer ("Third Party Offer") from a purchaser to purchase some or all of the Units held by such Offering Member ("Offered Units") in a transaction which is not a Control Transfer, the Offering Member shall first give written notice (a "Sale Notice") to the Company and the other Members of the Third Party Offer, specifying the purchaser, the price for the Offered Units (the "Third Party Price") and the payment terms of the proposed sale (the "Third Party Payment Terms"). The Sale Notice shall include a photocopy of any letter of intent or other document executed by the proposed purchaser that sets out the Third Party Price and Third Party Payment Terms. The Sale Notice shall constitute an offer by the Offering Member to sell the Offered Units to the Company and/or the Nontransferring Member(s) at the Third Party Price and on the Third Party Payment Terms as provided below.

(ii) Right of First Refusal in the Company. The Company shall have the exclusive right and option for a period of 30 business days after the date the Sale Notice is given ("First Option Period"), to accept such offer with respect to any or all of the Offered Units at the Third Party Price and on the Third Party Payment Terms. The Company shall notify the Offering Member of its acceptance of the offer in writing within the First Option Period and shall specify the number of Offered Units that the Company desires to purchase.

(iii) Right of Second Refusal to the Members. If the option referred to in section 11(f)(ii) is not exercised by the Company as to all or part of the Offered Units within the First Option Period, then the other Members shall have the exclusive right and option for a period of 15 business days after the First Option Period expires ("Second Option Period"), to accept such offer with respect to any or all of the Offered Units at the Third Party Price and on the Third Party Payment Terms. If more than one other Member decides to exercise this Option to Purchase, the Offered Units shall be sold to such Members in proportion to their Percentage Interests.

(iv) Right to Sell to Third Party. If the options referred to in sections 11(f)(ii) and 11(f)(iii) are not exercised by the applicable Nontransferring Members as to all of the Offered Units within the applicable option periods, then the Offering Member may sell all, but not less than all, of the remaining Offered Units to the proposed purchaser specified in the Sale Notice at any time within 60 days after the expiration of the last applicable option period, but only at the Third Party Price and on the Third Party Payment Terms and subject to the restrictions set forth in section 11(k). If the Offered Units are not sold by the Offering Member to the proposed purchaser in accordance with this section 11(f), the Third Party Offer shall be deemed withdrawn and the Offering Member may not sell the Offered Units without again following the procedure set forth in this section 11(f).

(g) Bring Along. If a Member or group of Members (the "Majority Sellers") desire to make a Control Transfer of Units, such Units shall not be subject to the rights-of-refusal set forth in section 11(f) and the Majority Sellers shall have the right, but not the obligation, to require the non-selling Members (the "Minority") to sell all, but not less than all, of their Units to the third party for the same price and on the same terms and conditions as those received by the Majority Sellers. The Majority Sellers shall give written notice of intent to exercise their rights under this section 11(g) to the Minority at least 30 days prior to the closing of the sale to the third-party purchaser. Such notice shall contain the terms and conditions of the sale and the identity of the third-party purchaser.

(h) Come Along. If the Majority Sellers desire to make a Control Transfer of Units, the Minority shall have the right to sell all, but not less than all, their Units to the third party purchaser for the same price and on the same terms and conditions as those received by the Majority Sellers. The Minority may exercise their option under this section 11(h) by written notice to the Majority Sellers within 20 days of notification by the Majority Sellers of the Control Transfer. The Majority Sellers shall not accept any Third Party Offer that does not comply with the terms of this section 11(h).

(i) Limitations Upon Company's Obligations to Purchase. If the Company is purchasing any Units hereunder and it cannot satisfy the conditions precedent to such acquisition under Wisconsin law, or is restricted from making such purchase under any agreement with its lenders, the Company shall purchase as many Units as it shall have legal capacity to purchase and the purchase commitment hereunder shall remain in effect as to any unpurchased Units. Any Units which the Company is unable to purchase hereunder, because of the limitations stated in this section, shall be held by the owner thereof subject to the provisions of this Agreement without in any way relieving the Company of its purchase commitment or the owner thereof of the duty to sell.

(j) Rights of Transferee and Transferor.

(i) Unless admitted as a Substitute Member in accordance with section 11(k), a transferee of Units in accordance with this section 11 shall obtain only the right to receive the distributions and to share in the allocations of Profits and Losses pursuant to this Agreement and the Act and shall have no right to become a Member or to exercise any of the rights of a Member pursuant to sections 8, 9 and 10 or otherwise.

(ii) The transferor of any Units shall forfeit his, her or its entire interest in the Company including, but not limited to, the rights set forth in sections 8, 9 and 10 as to the Units transferred notwithstanding the fact that the transferee may not be admitted as a Substitute Member.

(k) Admission as a Substitute Member. The transferee of any Units may be admitted as a Substitute Member only upon satisfaction of all of the following conditions, any of which may be waived by the unanimous consent of the Members:

(i) The transferee shall have accepted, in form satisfactory to the Members, all the terms and provisions of this Agreement.

(ii) The Company shall have received an opinion of counsel for the Company or other counsel acceptable to the Company, or other evidence acceptable to the Company, that [a] neither the offering nor the Transfer of such Units violates the registration requirements of any federal or state securities law, and [b] the Transfer will not cause termination of the Company for federal income tax purposes.

(iii) The Company shall have received from the transferee a sworn statement that the Transferee has acquired the Units for investment and not for resale and any other statements or documents required in order to enable counsel to render the opinion described in section 11(k)(ii).

(iv) The Company shall have received such other documents, instruments or consents as may be required in order to effect the transferee's admission as a Substitute Member.

(v) The transferor shall have paid to the Company such reasonable expenses as may be incurred in connection with the admission of the transferee as a Substitute Member, including, but not limited to, the actual expenses of the Company in obtaining any legal advice or opinion of counsel relating to the Transfer.

(vi) The transferor shall have indemnified the Company and the remaining Members against any and all loss, damage or expense including, but not limited to, reasonable attorney's fees, tax liabilities or loss of tax benefits, arising or incurred directly or indirectly as a result of any transfer.

## 12. Dissolution and Termination.

### (a) Dissolution.

(i) Dissolution Events. The Company shall be dissolved only upon the occurrence of any of the following events:

[a] the approval of the Members by Majority Vote to dissolve the Company;

[b] the adjudication of the Company as bankrupt or execution by the Company of an assignment for the benefit of its creditors; or admission in writing by the Company of its inability to pay debts as they become due; or the appointment of a receiver;

[c] the entry of a decree of judicial dissolution pursuant to the Wisconsin Act; or

[d] an Asset Disposition. No Event of Dissociation shall trigger dissolution of the Company nor shall it require the consent of the non-dissociating Members to continue the business of the Company.

(ii) No Withdrawal Power. No Member shall have the power to withdraw by voluntary act from Membership in the Company without the consent or affirmative vote of the holders of a majority of the Class A Units, excluding the Class A Units (if any) held by the Member proposing to withdraw. In addition, except as expressly permitted in this Agreement, a Member shall not take any other voluntary action that directly causes an Event of Dissociation.

(iii) No Right to Receive Distribution At Fair Value Upon an Event of Dissociation. In the event of an Event of Dissociation, whether voluntarily or otherwise, which does not cause a dissolution of the Company, neither the dissociated Member nor the successors to the dissociated Member's interests, if any, shall be entitled to receive a distribution in complete redemption of the fair value of the dissociated Member's interests pursuant to section 183.0604 of the Wisconsin Act. Each Member acknowledges and agrees that the rights of a Member set forth in this Agreement are expressly in lieu of any right a dissociating Member may have to receive a distribution in complete redemption of the fair value of such interests under section 183.0604 of the Wisconsin Act. Accordingly, such right of a dissociating Member and any right to an accounting which may exist with respect to a dissociating Member when the Company is not dissolved are hereby waived by each Member.

(b) Winding Up, Liquidation and Distribution of Assets.

(i) Accounting. Upon dissolution, an accounting shall be made by either the Company or the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution.

(ii) Members' Dissolution Duties. If the Company is dissolved and its affairs are to be wound up, the Members shall:

[a] Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the Members in kind);

[b] Allocate any profit or loss resulting from such sales to the Members' Capital Accounts in accordance with this Agreement;

[c] Discharge all liabilities of the Company, other than liabilities to Members for distributions, and establish such Reserves as may be reasonably necessary to provide for contingent or other liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such Reserves shall be deemed to be an expense of the Company);

[d] Satisfy any outstanding distribution obligation to Members and former Members; and

[e] Distribute the remaining assets in the following manner:

[i] If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members shall be adjusted pursuant to the provisions of sections 5(a) and 6 of this Agreement to reflect such deemed sale.

[ii] The positive balance (if any) of each Member's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to section 12(b)(ii)[e][i]. Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(iii) **No Liability.** Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has an Adjusted Capital Account Deficit (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(iv) **Termination of Company.** Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

13. Miscellaneous.

(a) Notices. Any notices or other writing required or desired to be given, made or submitted to any Member shall be in writing and shall be deemed given, made or submitted to any Member when hand delivered or received by certified mail or by private couriers at the address set forth in section 3 of this Agreement or at such other address as that Member (or such Member's personal representative) may subsequently specify in a notice to the Company.

(b) Entire Agreement. This Agreement contains the entire agreement among the parties hereto and supersedes any prior understandings or agreements among them respecting the subject hereof.

(c) Benefit. Except as otherwise provided herein, all provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the respective heirs, executors, administrators, personal representatives, successors and assigns of any of the Members.

(d) Application of Wisconsin Law. This Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Wisconsin, and specifically the Wisconsin Act.

(e) Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

(f) 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.

(g) Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law. Similarly, any provision of this Agreement which is construed to cause the Company to be taxed as a Company for federal income tax purposes shall be repealed, limited or construed in a manner which will allow the Company to qualify as a partnership for federal income tax purposes.

(h) Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

(i) Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

(j) Counterparts. This Agreement may be signed in counterparts, which taken together, shall constitute a single instrument and the signature page executed by a Member in connection with the subscription for his, her or its Units shall be deemed a counterpart. Counterparts signed by a Member and returned to the Company via facsimile shall be deemed to be an original signature.

(k) Right to Separate Representation. Each Member has been advised of their individual rights to obtain independent legal counsel with respect to this Agreement and that

Quarles & Brady LLP has represented the Company and not any individual Member in this matter. Each Member has either specifically waived the right to separate independent legal counsel or have obtained separate independent legal counsel.

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

COMPANY:

SOLRAYO, LLC

BY /s/ Kevin C. Leonard

Its President

MEMBERS:

/s/ Kevin C. Leonard  
Kevin C. Leonard

/s/ Marc A. Anderson  
ParaSol Technologies, LLC

By: Marc A. Anderson

Title: President

FIRST AMENDMENT TO OPERATING AGREEMENT  
FOR  
SOLRAYO, LLC

A Wisconsin Limited Liability Company

This First Amendment to Operating Agreement (this "Amendment") of SolRayo, LLC, a Wisconsin limited liability company (hereinafter "the Company") is made and entered into this 1st day of October 2008, by and among the Company and the undersigned Members.

RECITALS

A. The Members previously entered into a Limited Liability Company Operating Agreement effective March 1, 2007 (hereinafter "Original Operating Agreement").

B. The Members wish to modify the Original Operating Agreement to adopt "manager managed" status for the Company as well as to admit a new Member to the Company. . NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and intending to be legally bound, the Company and the Members agree as follows:

**1. Amendments to Agreement.**

a. Section 4(rr) of the Original Operating Agreement is hereby amended and restated in its entirety to read as follows:

(rr) "Unit" means the measure of ownership participation used to represent a Membership Interest in the Company and includes Class A and Class B Units. The Company shall have an aggregate of Ten Thousand (10,000) authorized Class A Units and Ten Thousand (10,000) Class B Units. The Units shall be the basis for determining a Member's Percentage Interest and represent a Member's right to participate in the management of the business and affairs of the Company, including the right, if applicable, to vote on, consent to, or otherwise participate in any decision or action of or by the Members. Units may be issued, held and voted in whole or fractional denominations. The initial Unit ownership of the Members is set out on Exhibit A.

b. New Section 5(j) is hereby added to the Original Operating Agreement to read as follows:

(j) Admission of Additional Members. The Board of Managers may admit additional Members, subject to the following:

(i) The Board of Managers consents to the admission; and

(ii) The additional Member makes a Capital Contribution that the Board of Managers determines is appropriate based upon the needs of the Company, the net value of the Company's assets, the Company's financial condition, and the benefits anticipated

to be realized by the additional Member. However, substitute Members may only be admitted in accordance with Section 11. The Board of Managers will amend this Agreement to reflect the admission of additional Members and that amendment will not require the vote or approval of the Members

c. Section 8 and its subparagraphs (a) through (d) of the Original Operating Agreement are hereby amended and restated in their entirety to read as follows:

8. Management of the Company. The business, property and affairs of the Company shall be managed exclusively by a manager or managers (each a "Manager" and collectively "Managers") who shall constitute a Board of Managers. Except for situations in which the approval of the Members or a Class of Members is expressly required by the Articles of Organization or this Agreement (including but not limited to the matters set forth in subparagraph (c), the Managers shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, property and affairs.

The number of Managers of the Company shall be fixed from time to time by Majority Vote, provided that in no instance shall there be less than one Manager. Managers shall be appointed by Majority Vote. Managers, absent another term set by Majority Vote, shall serve for one-year terms and until a successor shall have been elected and qualified, subject to removal as set forth in subsection (e) below.

Any Class A or Class B Member may also be a Manager. A Manager need not be a Member, an individual, a resident of the State of Wisconsin, or a citizen of the United States.

In the absence of any agreement, no Manager may exercise any rights and powers under this Agreement without the consent of a majority (in number) of the Managers. Furthermore, any provision in this Agreement requiring the consent of the Managers means the consent of a majority (in number) of the Managers unless otherwise expressly stated.

(a) Initial Managers. The Company shall initially have five (5) Managers. The initial Managers -of the Company shall be Mark A. Daugherty, Kevin C. Leonard, Marc A. Anderson and two (2) others who shall be appointed by Majority Vote. Any Manager may resign at any time by giving written notice to the Members and remaining Managers. The resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member. Any vacancy occurring for any reason in the number of Managers may be filled by Majority Vote or by a majority of the remaining Managers.

(b) Officers. The Managers may appoint a president, secretary, treasurer or such other officers of the Company as they deem necessary or appropriate. Each officer shall serve at the discretion of the Managers. Subject to subparagraph (c), the Managers may delegate to any such officer such authority to act on behalf of the Company as they may deem appropriate. The Managers agree that, upon execution of this Amendment by all parties, Dr. Mark A. Daugherty shall serve as the President of the Company.

(c) Matters reserved for the Members. Notwithstanding the first paragraph of this Section 8, all business and matters not within the ordinary course of business of the Company shall be reserved to the Members including, but not limited to, the following list of reserved matters:

- i. the declaration or payment, directly or indirectly, of any distribution (other than Tax Distributions), whether in cash, property or securities or a combination thereof, with respect to any Unit (whether by reduction of capital or otherwise);
- ii. any transaction with a Member other than in the ordinary course of business on terms no less favorable to the Company than those which would otherwise be available from an unaffiliated third party;
- iii. approval of the annual operating budget of the Company;
- iv. entering into any new line of business; and
- v. any matter otherwise within the Managers' authority and regarding which Members have reserved for themselves by Majority Vote.

(d) Power to Bind Company. No Manager or group of Managers (acting in his or their capacity as such) shall have any authority to bind the Company to any third party with respect to any matter except pursuant to the approval of Members by Majority Vote.

(e) Removal of Managers. Any Manager may be removed with or without cause, at any time during his or her term by the affirmative vote of Members holding an aggregate of Sixty-Six and Two-thirds Percent (66.67%) of Percentage Interests. Managers who are not reappointed by Majority Vote at the end of their term shall also be deemed removed from office at the expiration of their respective term.

(f) Managers may receive compensation for their service to the Company. Any such compensation shall be determined by Majority Vote. Managers may also be reimbursed for expenses incurred on behalf of the Company, under such terms and conditions as may be approved by Majority Vote.

(g) Employees. Except as otherwise provided for in this Agreement or through a duly passed resolution by Majority Vote, the Managers shall have the power to hire, fire and determine compensation for employees of the Company.

(h) Liability. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Manager, officer or agent shall be obligated personally for any such debt, obligation or liability solely by reason of being such Manager, officer or agent.

d. New Section 13(l) is hereby added to the Original Operating Agreement to read as follows:

(l) Amendment or Modification. This Agreement may be amended or modified from time to time only by a written instrument adopted by the Managers and executed and agreed to by Majority Vote; provided, however, that (a) an amendment or modification reducing a Member's Membership Interest or Units (other than to reflect changes otherwise provided by this Agreement) or reducing a Member's distributions is effective only with that Member's consent, (b) an amendment or modification reducing the required percentage of Units or other measure for any consent or vote in this Agreement is effective only with the consent or vote of Members having the percentage of Units, Interest or other measure theretofore required, and (c) amendments to this Agreement that (i) the Managers have reasonably determined do not adversely affect the Members, (ii) are required or contemplated by this Agreement, (iii) are reasonable and necessary or appropriate in the sole discretion of the Managers to qualify or continue the qualification of the Company as a limited liability company under the laws of any state, (iv) are advisable in the opinion of the Managers to cure any ambiguity in any provision herein, or (v) are required to effect a change in the name of the Company, in the registered office or registered agent of the Company or in the location of the principal place of business of the Company or the admission, substitution or termination of Members in accordance with this Agreement, may be made by the Managers without the consent of the Members.

e. Exhibit A of the Original Operating Agreement is hereby amended and restated in its entirety to read as follows:

Class A

Member	Initial Capital Contribution	Additional Capital Contribution	Number of Class A Units	Total Percentage Ownership
Enable IPC Corporation		Cash or in-kind capital contributions in accordance with requirements of WEIF Grant Matching	5,001	50.01%
Kevin C. Leonard	\$ 200	Additional services since inception	3,299	32.99%
ParaSol Technologies, LLC	\$ 200	Additional services since inception	1,700	17.00%
<b>TOTAL</b>			<b>10,000</b>	<b>100.00%</b>

Class B

None

2. **Capitalized Terms.** All capitalized terms not defined in this Amendment will have the meaning ascribed to them in the Original Operating Agreement.

3. **Remainder of Original Operating Agreement.** Except as modified by this Amendment, all other terms and conditions of the Original Operating Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment to Operating Agreement on the date first written above:

**MEMBER**

**MEMBER**

\_\_\_\_\_  
By: /s/ Kevin C. Leonard

\_\_\_\_\_  
By: /s/ ParaSol Technologies, LLC

**MEMBER**

**SOLRAYO, LLC**

\_\_\_\_\_  
Enable IPC Corporation  
By: /s/ David A. Walker  
Title: Chairman and Chief Executive Officer

By: /s/ Kevin C. Leonard  
Kevin C. Leonard  
President

EXHIBIT B: Capitalization

Class A

Member	Initial Capital Contribution	Additional Capital Contribution	Number of Class A Units	Total Percentage Ownership
Enable IPC Corporation		Cash or in-kind capital contributions in accordance with requirements of WEIF Grant Matching	5,001	50.01%
Kevin C. Leonard	\$ 200	Additional services since inception	3,299	32.99%
ParaSol Technologies, LLC	\$ 200	Additional services since inception	1,700	17.00%
<b>TOTAL</b>			<b>10,000</b>	<b>100.00%</b>

Class B

None

EXHIBIT C: Document List

The following documents shall be provided to EIPC, in accordance with paragraph 2.15:

**A. Organization and Good Standing**

- The Company's Articles of Organization, and all amendments
- The Company's Bylaws and/or Operating Agreement and all amendments
- The Company's minute book, including all minutes and resolutions of shareholders and directors, executive committees, and other governing groups
- The Company's organizational chart
- The Company's list of unit holders and number of units held by each
- Copies of agreements relating to options, voting trusts, warrants, puts, calls, subscriptions, and convertible securities
- A Certificate of Good Standing from the Secretary of State of the state where the Company is incorporated
- Copies of active status reports in the state of incorporation for the last three years
- A list of all states where the Company is authorized to do business and annual reports for the last three years
- A list of all states, provinces, or countries where the Company owns or leases property, maintains employees, or conducts business
- A list of all of the Company's assumed names and copies of registrations

**B. Financial Information.**

- Audited financial statements for three years, together with Auditor's Reports
- The most recent unaudited statements, with comparable statements to the prior year
- Auditor's letters and replies for the past five years
- The Company's credit report, if available
- Any projections, capital budgets, and strategic plans
- Analyst reports, if available
- A schedule of all indebtedness and contingent liabilities
- A schedule of inventory
- A schedule of accounts receivable
- A schedule of accounts payable
- A description of depreciation and amortization methods and changes in accounting methods over the past five years
- Any analysis of fixed and variable expenses
- Any analysis of gross margins
- Copies of all bank statements, checks and deposits for the past three years
- The Company's general ledger
- A description of the Company's internal control procedures

**D. Physical Assets.**

- A schedule of fixed assets and their locations
- All U.C.C. filings
- All leases of equipment
- A schedule of sales and purchases of major capital equipment during the last three years

**E. Real Estate.**

- A schedule of the Company's business locations
- Copies of all real estate leases, deeds, mortgages, title policies, surveys, zoning approvals, variances, or use permits

**F. Intellectual Property.**

- A schedule of domestic and foreign patents and patent applications
- A schedule of trademark and trade names
- A schedule of copyrights
- A description of important technical know-how
- A description of methods used to protect trade secrets and know-how
- Any "work for hire" agreements
- A schedule and copies of all consulting agreements, agreements regarding inventions, licenses, or assignments of intellectual property to or from the Company
- Any patent clearance documents
- A schedule and summary of any claims or threatened claims by or against the Company regarding intellectual property

**G. Employees and Employee Benefits.**

- A list of employees including positions, current salaries, salaries, and bonuses paid during last three years, and years of service
- All employment, consulting, nondisclosure, non-solicitation, or non-competition agreements between the Company and any of its employees
- Resumes of key employees
- The Company's personnel handbook and a schedule of all employee benefits and holiday, vacation, and sick leave policies
- Summary plan descriptions of qualified and nonqualified retirement plans
- Copies of collective bargaining agreements, if any
- A description of all employee problems within the last three years, including alleged wrongful termination, harassment, and discrimination
- A description of any labor disputes, requests for arbitration, or grievance procedures currently pending or settled within the last three years
- A list and description of benefits of all employee health and welfare insurance policies or self-funded arrangements
- A description of worker's compensation claim history
- A description of unemployment insurance claims history
- Copies of all stock option and stock purchase plans and a schedule of grants

**H. Licenses and Permits.**

- Copies of any governmental licenses, permits, or consents
- Any correspondence or documents relating to any proceedings of any regulatory agency

**I. Environmental Issues.**

- Environmental audits, if any, for each property leased by the Company
- A listing of hazardous substances used in the Company's operations
- A description of the Company's disposal methods

- A list of environmental permits and licenses
- Copies of all correspondence, notices, and files related to EPA, state, or local regulatory agencies
- A list identifying and describing any environmental litigation or investigations
- A list identifying and describing any known Superfund exposure
- A list identifying and describing any contingent environmental liabilities or continuing indemnification obligations

**J. Taxes.**

- Federal, state, local, and foreign income tax returns for the last three years
- States sales tax returns for the last three years
- Any audit and revenue agency reports
- Any tax settlement documents for the last three years
- Employment tax filings for three years
- Excise tax filings for three years
- Any tax liens

**K. Material Contracts.**

- A schedule of all subsidiary, partnership, or joint venture relationships and obligations, with copies of all related agreements
- Copies of all contracts between the Company and any officers, directors, five-percent shareholders, or affiliates
- All loan agreements, bank financing arrangements, line of credit, or promissory notes to which the Company is a party
- All security agreements, mortgages, indentures, collateral pledges, and similar agreements, including guaranties to which the Company is a party, and any installment sale agreements
- Any distribution agreements, sales representative agreements, marketing agreements, and supply agreements
- Any letters of intent, contracts, and closing transcripts from any mergers, acquisitions, or divestitures within last five years
- Any options and stock purchase agreements involving interests in other companies
- The Company's standard quote, purchase order, invoice, and warranty forms
- All nondisclosure or noncompetition agreements to which the Company is a party
- All other material contracts

**L. Product or Service Lines.**

- A list of all existing products or services and products or services under development
- Copies of all correspondence and reports related to any regulatory approvals or disapprovals of any Company's products or services
- A summary of all complaints or warranty claims
- A summary of results of all tests, evaluations, studies, surveys, and other data regarding existing products or services and products or services under development

**M. Customer Information.**

- A schedule of the Company's twelve largest customers in terms of sales thereto and a description of sales thereto over a period of two years

- Any supply or service agreements
- A description or copy of the Company's purchasing policies
- A description or copy of the Company's credit policy
- A schedule of unfilled orders
- A list and explanation for any major customers lost over the last two years
- All surveys and market research reports relevant to the Company or its products or services
- The Company's current advertising programs, marketing plans, and budgets, and printed marketing materials
- A description of the Company's major competitors

**N. *Litigation.***

- A schedule of all pending litigation
- A description of any threatened litigation
- Copies of insurance policies possibly providing coverage as to pending or threatened litigation
- Documents relating to any injunctions, consent decrees, or settlements to which the Company is a party
- A list of unsatisfied judgments

**O. *Insurance Coverage.***

- A schedule and copies of the Company's general liability, personal and real property, product liability, errors and omissions, key-man, directors and officers, worker's compensation, and other insurance
- A schedule of the Company's insurance claims history for past three years

**P. *Professionals.***

- A schedule of all law firms, accounting firms, consulting firms, and similar professionals engaged by the Company during past five years

**Q. *Articles and Publicity.***

- Copies of all articles and press releases relating to the Company within the past three years

## **Exhibit D: Lease Agreement Between St. John's Properties, Inc. and SolRayo**

**THIS LEASE**, Made this 26th day of November, 2008, by and between ST. JOHN Properties, Inc, herein called "Landlord", and SolRayo, LLC herein called "Tenant".

**WITNESSETH**, that in consideration of the rental hereinafter agreed upon and the performance of all the conditions and covenants hereinafter set forth on the part of Tenant to be performed, Landlord does hereby lease unto said Tenant, and the latter does lease from the former an agreed upon 1500 square feet at the following premises: 4005 Felland Road, Suite 107, Madison, WI 53178 (herein called the "Premises") for the term of three (3) years, beginning on the 1<sup>st</sup> day of March 2009, and ending on the 29th day of February, 2012 for the annual rental of \$14,625 (herein called "Annual Rent"), payable in advance on the first day of each and every month during the term of this Lease in equal monthly installments of \$1,218.75. Said rental shall be paid to **ST. JOHN Properties, Inc., 2560 Lord Baltimore Drive, Baltimore, Maryland 21244-2666** or at such other place or to such appointee of Landlord, as Landlord may from time to time designate in writing.

Landlord and Tenant agree that monthly installments of Annual Rent and Additional Rent shall be made by ACH withdrawal from a bank account placed with a federally-insured financial institution on the first day of each calendar month into such bank account that Landlord may designate from time to time. At least 10 days prior to the rent commencement date, Prior to occupying the Premises Tenant shall complete, sign and submit to Landlord the ACH withdrawal authorization form supplied by Landlord. Tenant may change the account from which rental payments are to be drawn by delivering written notice to Landlord with a signed replacement ACH withdrawal form providing the new account information. If the ACH withdrawal authorization process is not complete in time to make the initial rent payment by direct deposit, or a transfer of accounts may cause a gap in direct deposit rental payments, Tenant shall make such monthly payments to Landlord by wire transfer or by delivery to the Landlord's address set forth on page 1 of this Lease (as such address may be revised from time to time by written notice from Landlord to Tenant).

### **TENANT COVENANTS AND AGREES WITH LANDLORD AS FOLLOWS:**

1. Tenant shall pay said rent and each installment of Annual Rent thereof as and when due without setoff or deduction.

### **RENTAL ESCALATION**

2. Beginning March 1, 2010 and for each subsequent annual anniversary of the commencement date of the lease term hereafter throughout the remainder of the Lease and renewal term(s), the Annual Rent shall be increased by an amount equal to three percent (3.0%) of the previous year's rent, which sum shall be payable in equal monthly installments in advance as hereinafter set forth.

### **USE**

3. Tenant shall use and occupy the Premises solely for the following purposes:

Office and warehouse space.

### **ADDITIONAL RENT**

4. a) All sums of money other than Annual Rent required to be paid by Tenant to Landlord pursuant to the terms of this Lease, unless otherwise specified herein, shall be considered additional rent and shall be collectible by Landlord as additional rent (herein called "Additional Rent"), in accordance with the terms of this Lease.

b) **UTILITIES**

Tenant shall apply for and pay all costs of electricity, gas, telephone and other utilities used or consumed on the Premises, together with all taxes, levies or other charges on such

utilities. Tenant agrees to pay as Additional Rent, Tenant's Pro Rata Share as the same is defined in subsection d) herein of the water and sewer service charges, or when applicable, the cost of maintaining and operating the well water and/or septic system chargeable to the total building in which the Premises are located. However, if in Landlord's reasonable judgment, the water and sewer charges for the Premises are substantially higher than normal due to Tenant's water usage, then Tenant agrees to install a water meter upon Landlord's written request, and thereafter pay all water charges for the Premises based on such meter reading.

c) **TAXES**

The Premises covered by this lease form approximately 1.04% of the total Premises owned by the Landlord at this location. The Tenant shall pay to the Landlord, as additional rent, 1.04% of the Real Estate taxes that may be levied or assessed by lawful taxing authorities against the land, buildings and improvements on the property. If this lease shall be in effect for less than a full calendar year, the Tenant shall pay a pro rata share of the taxes based upon the number of months that this lease is in effect. Said taxes shall include, but not by way of limitation, all paving taxes, and any and all benefits or assessments which may be levied on the Premises hereby leased but shall not include the United States Income Tax, or any State or other income tax upon the income or rent payable hereunder. In addition to Annual Rent, Tenant will make additional monthly payments of \$156.25 towards the estimated annual cost of Tenant's Proportionate Share of Real Estate taxes. Annually, this figure will be adjusted to reflect the previous actual tax bill. Overpayments will be returned to Tenant by April 1<sup>st</sup> of the following year. Underpayments will be invoiced to Tenant and payable as Additional Rent.

d) **COMMON AREA**

For each full or partial calendar year during the Term, Tenant shall pay to Landlord as Additional Rent, Tenant's proportionate share, 1.04%, of the Common Area Expenses. For the purposes of this section, Common Area Expenses shall be defined as one hundred percent (100%) of the total cost and expense incurred by or on behalf of Landlord in each calendar year in operating, maintaining, and repairing (which includes replacements, additions, and alterations) of Common Areas of the building. These include, without limitation; a) the cost of maintaining and repairing all service pipes, electric, gas and water lines and sewer mains leading to and from the Premises; b) all costs incurred in painting, resurfacing, and landscaping; c) all costs for repairs and improvements, line painting and striping, lighting, removal of snow, grass cutting, cleaning of parking areas; d) all costs incurred in maintaining, repairing and replacing the paving, parking areas, curbs, gutters, sidewalks, and steps; e) all costs for repairs and improvements to roof and exterior walls; f) Landlord's property casualty, liability, and business interruption insurance; and g) management fees, overhead and expenses. Tenant agrees to pay monthly \$125.00 towards the estimated annual cost of Tenant's Proportionate Share of Common Area Expense. Overpayments will be returned to Tenant by April 1<sup>st</sup> of the following year. Underpayments will be invoiced to Tenant and payable as Additional Rent.

**MUNICIPAL REGULATING**

5. Tenant shall observe, comply with and execute at its expense, all laws, orders, rules, requirements, and regulations of the United States, State, City or County of the said State, in which the Premises are located, and of any and all governmental authorities or agencies and of any board of fire underwriters or other similar organization, respecting the Premises and the manner in which the Premises are or should be used by Tenant.

**ASSIGNMENT AND SUBLET**

6. Tenant shall not assign this Lease, in whole or in part, or sublet the Premises, or any part or portion thereof, or grant any license or concession for any part of the Premises, without the prior written consent of Landlord, said consent shall not be unreasonably withheld, conditioned or delayed. If such assignment or subletting is permitted, Tenant shall not be relieved from any liability whatsoever under

this Lease. Landlord shall be entitled to all additional considerations over and above those stated in this Lease, which are obtained in or for the sublease and/or assignment. No option rights can be assigned or transferred by Tenant to an assignee or subtenant.

### **INSURANCE**

7. Tenant shall do nothing in or about the Premises that will contravene or affect any policies of insurance against loss to Landlord's Real Property or against Landlord's public liability exposures which may now exist or which may exist during the term of this Lease or any extension thereof, or that will prevent Landlord from procuring such policies in companies acceptable to Landlord. Tenant further agrees to pay, as Additional Rent, any increase in the premium of any insurance carried by Landlord caused by Tenant's occupancy, the nature of its business, any alterations or installation made by Tenant, or otherwise resulting from any act of Tenant, its agents, employees or customers. Tenant covenants and agrees that, from and after the earlier of the commencement of this Lease or the date of delivery of the Premises from Landlord to Tenant, Tenant will carry and maintain at its sole cost and expense and in the amounts specified, a Commercial general liability insurance policy covering the Premises and Tenant's use thereof against claims for bodily injury or death and property damage occurring upon, in or about the Premises, such insurance to afford protection to the limit of not less than Two Million Dollars (\$2,000,000) arising out of any one occurrence. The insurance coverage required under this Section 7 shall, in addition, extend to any liability of Tenant arising out of Tenant's indemnities hereinafter provided, as well as independent contractor's liability and contractual liability. If such insurance contains an annual aggregate limit, the annual aggregate limit may not be diminished by claims occurring at locations other than the Premises.

All policies of insurance to be provided by Tenant shall be issued in a form acceptable to Landlord by insurance companies with general policyholder's rating of not less A-XI as rated in the most current available "Best's Insurance Reports," and qualified to do business in the state in which the Premises are located. Executed copies of each such policy of insurance or certificate thereof shall be delivered to Landlord within ten (10) days after the earlier of the commencement of this Lease or delivery of possession of the Premises to Tenant and thereafter at least fifteen (15) days prior to the expiration of each such policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All such policies of insurance shall contain a provision that the company writing said policy will give to Landlord at least thirty (30) days' notice in writing in advance of any cancellations, or lapse, or the effective date of any reduction in the amounts of insurance. In the event Tenant shall fail to promptly furnish any insurance herein required, Landlord may affect the same and Tenant shall promptly reimburse Landlord upon demand as Additional Rent, the premium so paid by Landlord. Such commercial general liability policy shall contain a provision that Landlord shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant or any other named insured. Any insurance provided for may be affected by a policy or policies of blanket insurance, covering additional items or locations; provided, however, that (i) Landlord shall be named as an additional insured thereunder as its interests may appear; (ii) the coverage afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance. Any insurance policies herein required to be procured by Tenant shall contain an express waiver of any right of subrogation by the insurance company against the Landlord, and all other tenants or occupants of space in the building.

### **ALTERATIONS**

8. a) Tenant shall not make any alterations in addition to original improvements existing in the Premises at the time of occupancy without the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed.

- b) If Tenant shall desire to make any such alterations, plans for the same shall first be submitted to Landlord for approval, and upon approval, the same shall be performed by Tenant at its own expense, Tenant agrees that all such work shall be done in a good and workmanlike manner, that the structural integrity of the building shall not be impaired, that no liens shall attach to the building by reason thereof, and that all alterations shall be in accordance with all applicable codes. Tenant agrees to obtain at Tenant's expense all permits pertaining to the alterations. Tenant also agrees to obtain, prior to commencing to make such alterations, and to keep in full force and effect at all time while such alterations are being made, all at Tenant's sole cost and expense, such policies of insurance pertaining to such alterations and/or to the making thereof as Landlord reasonably may request or require Tenant to obtain, including, but not limited to, public liability and property damage insurance, and to furnish Landlord evidence satisfactory to Landlord of the existence of such insurance prior to Tenant's beginning to make such alterations.
- c) Any such alterations shall become the property of Landlord as soon as they are affixed to the Premises and all rights, title and interest therein of Tenant shall immediately cease, unless otherwise agreed to by Landlord in writing. Landlord shall have the sole right to collect any insurance for any damage of any kind caused by any alterations or improvements placed upon the Premises by Tenant. If the making of any such alterations, or the obtaining of any permits therefore shall directly or indirectly result in a franchise, minor privilege or any other tax or increase in tax, assessment or increase in assessment, such franchise, privilege, tax or assessment shall be paid, immediately upon its levy and subsequent levy, by Tenant.
- d) Unless Landlord shall consent in writing that all or part of any alterations installed by Tenant shall remain, the Premises shall be restored to their original condition by Tenant, at its own expense, before the expiration of its tenancy.
- e) All alterations or modifications (in addition to the improvements as described herein in Section 34) Tenant requests Landlord to make on Tenant's behalf during the term of this Lease shall be due and payable as Additional Rent.

#### MAINTENANCE

9. a) Tenant shall, during the term of this Lease, keep the Premises and appurtenances (including, but not limited to, interior and exterior windows, interior and exterior doors, interior plumbing, heating, ventilating and air conditioning (HVAC), interior electrical or replacement works thereof) in good order and condition and will make all necessary repairs or replacement thereof. Landlord does, however, give a three hundred sixty-five (365) day warranty on all of the above mentioned items. ~~This warranty does not include the required annual maintenance contract on the HVAC unit(s) as described below.~~ Any repair made by Landlord at Tenant's request to Tenant's Premises shall be invoiced to Tenant and shall become due and payable as Additional Rent. Tenant will be responsible for all exterminating services, except termites, required in the Premises. If Tenant does not make necessary repairs within fifteen (15) days after receiving written notice from Landlord of the need to make a repair, Landlord may proceed to make said repair and the cost of said repair will become part of and in addition to the next due monthly rental.
- b) ~~Tenant agrees to furnish to Landlord, at the expense of Tenant, prior to occupancy, a copy of an executed and paid for annual maintenance contract on all heating and air conditioning (HVAC) equipment with a reputable company acceptable to Landlord and said contract will be kept in effect during the term of the Lease at the expense of Tenant. Should Tenant not provide a satisfactory HVAC Maintenance contract to Landlord prior to occupancy, Tenant shall be provided a contract through ST. JOHN Properties, Inc. Billings for this contract shall become due and payable upon receipt of invoice and shall be considered Additional Rent.~~

c) Landlord will make all necessary structural repairs to the exterior masonry walls and roof of the Premises, after being notified in writing of the need for such repairs, provided the necessity for such repairs was not caused by the negligence or misuse of Tenant, its employees, agents or customers.

d) Tenant shall, at the expiration of the term or at the sooner termination thereof by forfeiture otherwise, deliver up the Premises in the same good order and condition as they were at the beginning of the tenancy, reasonable wear and tear excepted.

#### **DEFAULT**

10. If Tenant shall fail to pay said rental or any other sum required by this Lease to be paid by Tenant and such failure shall continue for ten (10) days after written notice thereof to Tenant. In case Tenant shall fail to comply with any of the other provisions, covenants, or conditions of this Lease, on its part to be kept and performed, and such default shall continue for a period of thirty (30) days after written notice thereof shall have been given to Tenant by Landlord, and/or if Tenant shall fail to pay said rental or any other sum required by the terms of this Lease to be paid by Tenant, then, upon the happening of any such event, and in addition to any and all other remedies that may thereby accrue to Landlord, Landlord may do the following:

a) Landlord's Election to Retake Possession Without Termination of Lease

Landlord may retake possession of the Premises and shall have the right, but not the obligation, without being deemed to have accepted a surrender thereof, and without terminating this Lease, to relet the same for the remainder of the lease term upon terms and conditions satisfactory to Landlord; and if the rent received from such reletting does not at least equal the rent and other sums payable by Tenant hereunder, Tenant shall pay and satisfy the deficiency between the amount of rent and other sums so provided in this Lease and the rent received through reletting the Premises; and, in addition, Tenant shall pay reasonable expenses in connection with any such reletting, including, but not limited to, the cost of renovating, altering, and decorating for any occupancy, leasing commissions paid to any real estate broker or agent, and attorney's fees incurred.

b) Landlord's Election to Terminate Lease

Landlord may terminate the Lease and forthwith repossess the Premises and be entitled to recover as damages a sum of money equal to the total of the following amounts:

- 1) any unpaid rent or any other outstanding monetary obligation of Tenant to Landlord under the Lease;
- 2) the balance of the rent and other sums payable by Tenant for the remainder of the lease term to be determined as of the date of Landlord's re-entry;
- 3) damages for the wrongful withholding of the Premises by Tenant
- 4) all legal expenses, including attorney's fees, expert and witness fees, court costs and other costs incurred in exercising its rights under the Lease;
- 5) all costs incurred in recovering the Premises, restoring the Premises to good order and condition, and all commissions incurred by Landlord in reletting the Premises; and
- 6) any other reasonable amount necessary to compensate Landlord for all detriment caused by Tenant's default.

#### **DAMAGE**

11. In the case of the total destruction of the Premises by fire, other casualties, the elements or other cause, or of such damage thereto as shall render the same totally unfit for occupancy by Tenant for more than sixty (60) days, this Lease, upon surrender and delivery to Landlord of the Premises, together with the payment of the Annual Rent and Additional Rent to the date of such occurrence, shall terminate and

be at an end. If the Premises are rendered partly untenable by any cause mentioned in the preceding sentence, Landlord shall, at its own expense, restore the Premises with all reasonable diligence, and the Annual Rent and Additional Rent shall be abated proportionately for the period of said partial untenability and until the Premises shall have been fully restored by Landlord.

#### **BANKRUPTCY**

12. In the event of the appointment of a receiver or trustee for Tenant by any court, Federal and State, in any legal proceedings under any provisions of the Bankruptcy Act, if the appointment of such receiver or such trustee is not vacated within sixty (60) days, or if said Tenant be adjudicated bankrupt or insolvent, or shall make an assignment for the benefit of its creditors, then and in any of said events, Landlord may, at its option, terminate this tenancy by ten (10) days written notice, and re-enter upon the Premises.

#### **POSSESSION/BENEFICIAL OCCUPANCY**

13. Landlord covenants and agrees that possession of the Premises shall be given to Tenant as soon as the Premises are ready for occupancy. If possession, cannot be given to Tenant on or before the commencement date of this Lease, Landlord agrees to abate the rent proportionately until possession is given to said Tenant and Tenant agrees to accept such prorated abatement as liquidated damages for the failure to obtain possession.

If Tenant occupies any portion of the Premises prior to tender of possession thereof by Landlord, such occupancy shall be deemed to be beneficial occupancy and a proportionate share of the rent shall be due and payable as to that portion of the Premises so occupied, immediately upon Tenant's occupancy. Such occupancy by Tenant and rent thereby due shall not depend on official governmental approval of such occupancy, state of completion of building, availability or connection of utilities and services as but not limited to sewer, water, gas, oil, or electric. No rent credit shall be given because of lack of utilities or services unless caused by the negligence of Landlord.

#### **SIGNS, ETC.**

14. Tenant covenants and agrees that:

- a) It will not place or permit any signs, lights, awnings or poles on or about the exterior of the Premises without the prior permission, in writing, of Landlord and in the event such consent is given, Tenant agrees to pay any minor privileges or other tax.
- b) Landlord, at Landlord's option, may immediately remove and dispose of any of the unauthorized aforementioned items at the expense of Tenant and said cost shall become part of and in addition to the next due monthly rental, as Additional Rent. Tenant further covenants and agrees that it will not paint or make any changes in or on the outside of the Premises without the written permission of Landlord. Tenant agrees that it will not do anything on the outside of the Premises to change the uniform architecture, paint or appearance of said building, without the written consent of Landlord.
- c) Landlord shall have the right to place a "For Rent" sign on any portion of the Premises for ninety (90) days prior to termination of this Lease and to place a "For Sale" sign thereon at any time.

#### **EXTERIOR OF PREMISES**

15. Tenant further covenants and agrees not to put any items on the sidewalk or parking lot in the front, rear, or sides of said building or block said sidewalk, and not to do anything that directly or indirectly takes away any of the rights of ingress or egress of light from any other tenant of Landlord or do anything which will, in any way, change the uniform and general design of any property of Landlord of which the Premises hereby leased shall constitute a part. Tenant will also keep the steps to the Premises free and clear of ice, snow and debris.

#### **WATER DAMAGE**

16. Tenant covenants and agrees that Landlord shall not be held responsible for and Landlord is hereby released and relieved from any liability by reason of or resulting from damage or injury to person or property of Tenant or of anyone else, directly or indirectly caused by (a) dampness or water in any part of the Premises or in any part of any other property of Landlord or of others and/or (b) any leak or break in any part of the Premises or in any part of any other property of Landlord or of others or in the pipes of the plumbing or heating works thereof, unless the damage is due to Landlord's negligence.

#### **LIABILITY**

17. Landlord shall not be liable to Tenant for any loss or injury to Tenant or to any other person or to the property of Tenant or of any other person unless such loss or damage shall be caused by or result from a negligent act or omission solely on the part of Landlord or any of its agents, servants, or employees. Tenant shall, and does hereby, indemnify and hold harmless Landlord and any other parties in interest from and against any and all liabilities, fines, claims, damages and actions, costs and expenses of any kind or nature (including attorneys' fees) and of anyone whatsoever (i) relating to or arising from the use and occupancy of the Premises; (ii) due to or arising out of any mechanic's lien filed against the building, or any part thereof, for labor performed or for materials furnished or claimed to be furnished to Tenant, or (iii) due to or arising out of any breach, violation or nonperformance of any covenant, condition or agreement in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, observed or performed.

#### **RIGHT OF ENTRY**

18. It is understood and agreed that Landlord, and its agents, servants, and employees, including any builder or contractor employed by Landlord, shall have, and Tenant hereby gives them and each of them, the absolute, and unconditional right, license and permission, at any and all reasonable times, and for any reasonable purpose whatsoever, to enter through, across or upon the Premises or any part thereof, and, at the option of Landlord, to make such reasonable repairs to or changes in the Premises as Landlord may deem necessary or proper. Tenant agrees Landlord and its agents and assigns have the unconditional right to show the Premises for lease at any time, without notice once Tenant notifies Landlord of its intention to vacate the Premises.

#### **EXPIRATION**

19. It is agreed that the term of this Lease expires on February 29, 2012, without the necessity of any notice by or to any of the parties hereto. If Tenant shall occupy the Premises after such expiration, it is understood that, in the absence of any written agreement to the contrary, said Tenant shall hold the Premises as a "Tenant from month to month", subject to all the other terms and conditions of this Lease, at 125% of the highest monthly installments of Annual Rent reserved in this Lease; provided that Landlord shall, upon such expiration, be entitled to the benefit of all public general or public local laws relating to the speedy recovery of the possession and lands and tenements held over by Tenant that may be now in force or may hereafter be enacted.

Prior to Lease expiration, Tenant agrees to schedule an inspection with Landlord to confirm that the Premises will be in proper order at expiration, including, but not limited to, lighting, mechanical, electrical and plumbing systems.

#### **CONDEMNATION**

20. It is agreed that in the event condemnation proceedings are instituted against the Premises and possession taken by the condemning authority, then this Lease shall terminate at the date possession is taken and Tenant shall not be entitled to recover any part of the award.

#### **SUBORDINATION**

21. It is agreed that Landlord shall have the right to place a mortgage or deed of trust on the Premises and this Lease shall be subordinate to any such mortgage or deed of trust whether presently

existing or hereafter placed on the Premises, and Tenant agrees to execute any and all documents assisting the effectuating of said subordination. Furthermore, if any person or entity shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, Tenant shall automatically attorn to such successor in interest, which attornment shall be self operative and effective upon the signing of this Lease, and Tenant shall execute such other agreement in confirmation of such attornment as such successor in interest shall reasonably request.

**NOTICE**

22. Any written notices required by this Lease shall be deemed sufficiently given, if hand delivered, or sent via first class U.S. mail or by overnight courier service.

Any notice required by this Lease is to be sent to Landlord at:

2560 Lord Baltimore Drive

Baltimore, Maryland 21244-2666

Any notice required by this is to be sent to Tenant at:

4005 Felland Road, Suite 107,

Madison, WI 53178

Emergency Contact Information:

Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

**REMEDIES NOT EXCLUSIVE**

23. No remedy conferred upon Landlord shall be considered exclusive of any other remedy, but shall be in addition to every other remedy available to Landlord under this Lease or as a matter of law. Every remedy available to Landlord may be exercised concurrently or from time to time, as often as the occasion may arise. Tenant hereby waives any and all rights which it may have to request a jury trial in any proceeding at law or in equity in any court of competent jurisdiction.

**NON-WAIVER**

24. It is agreed that the failure of Landlord to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or right, but the same shall remain in full force and effect, unless the contrary is expressed in writing by Landlord. The receipt of Annual Rent or Additional Rent by Landlord, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant hereunder, shall not be deemed to be a waiver of any provisions of this Lease. Neither acceptance of the keys nor any other act or thing done by Landlord or any agent or employee of Landlord shall be deemed to be an acceptance of a surrender of the Premises, excepting only an agreement in writing by Landlord accepting or agreeing to accept such surrender.

**SECURITY DEPOSIT AND FINANCIAL STATEMENTS**

25. A security deposit of \$1,500.00 is required to accompany this Lease, when submitted for approval by Landlord, subject to all the conditions of the security deposit agreement attached. If this Lease is not approved by Landlord within thirty (30) days of its submission to Landlord, the security deposit will be refunded in full. Landlord shall have the right to require annual financial statements for Tenant and/or any Guarantor of this Lease. Tenant or Guarantor shall provide written answers to any questions from Landlord which are related to Tenant's financial statements or provide written projections on Tenant's business, if the financials are unacceptable to Landlord.

#### **FINAL AGREEMENT**

26. This Lease contains the final and entire agreement between the parties hereto, and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

#### **LEGAL EXPENSE**

27. In the event, to enforce the terms of this Lease, either party files legal action against the other, and is successful in said action, the losing party agrees to pay all reasonable expenses to the prevailing party, including the attorney's fee incident to said legal action. In the event that Landlord is successful in any legal action filed against Tenant, Landlord's expenses incident to said legal action shall be due as Additional Rent.

#### **LAND**

28. It is agreed that the Premises is the building area occupied by Tenant and only the land under that area.

#### **RELOCATION**

29. Landlord shall have the right at any time during the lease term, upon not less than thirty (30) days written notice to Tenant, to relocate Tenant to another location within the Property, provided: (a) the new location is reasonably similar to size, utility and appearance to the Premises hereby demised and (b) Landlord pays all reasonable moving costs incurred by Tenant in connection with such move. The parties shall, upon Landlord's request, execute an amendment to this Lease which will specify the change in Premises, but this Lease shall in no other respect be amended.

#### **ENVIRONMENTAL REQUIREMENTS**

30. Tenant hereby covenants and agrees that if at any time it is determined that there are materials placed on the Premises which, under any environmental requirements require special handling in collection, storage, treatment, or disposal, Tenant shall, within thirty (30) days after written notice thereof, take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all environmental requirements. If Tenant shall fail to take such action, Landlord may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorney's fees, fines, or other penalty payments, shall be at once repayable by Tenant as Additional Rent and shall bear interest at the rate of four percent (4%) per annum above the Prime Rate from time to time as published by the Wall Street Journal, from the date the same shall become due and payable until the date paid. Failure of Tenant to comply with all environmental requirements shall constitute and be a default under this Lease.

Tenant will remain totally liable hereunder regardless of any other provisions which may limit recourse.

#### **SEVERABILITY**

31. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability

shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

### **LATE CHARGE**

32. If Tenant shall fail to pay when due, the said Annual Rent, Additional Rent or any other sum required by the terms of this Lease to be paid by Tenant, then, upon the happening of any such event, and in addition to any and all other remedies that may thereby accrue to Landlord, Tenant agrees to pay to Landlord a late charge of five percent (5%) of the monthly account balance. The late charge on the base rent accrues after ten (10) days of the due date and said late charges shall be collectible as Additional Rent.

In the event Tenant's rent is received fifteen (15) days after due date, Landlord shall have option to require the rental payment be made with a certified or cashier's check.

### **QUIET ENJOYMENT**

33. Tenant, upon paying the minimum rent, Additional Rent and other charges herein provided and observing and keeping all of its covenants, agreements, and conditions in this Lease, shall quietly have and enjoy the Premises during the term of this Lease without hindrance or molestation by anyone claiming by or through Landlord: subject, however, to all exceptions, reservations and conditions of this Lease.

### **LANDLORD'S WORK**

34. The leased Premises shall contain only the following items at the expense of the Landlord: The Premises will be constructed per Exhibit A, dated 10/01/08. Landlord will construct approximately 750 square feet of finished office space. The office and restroom areas will contain: painted drywall partitions; 2' x 2' drop ceiling; parabolic fluorescent light fixtures; an allowance for fifteen (15) 110v duplex electrical outlets; wall-to-wall carpeting; and one (1) ADA compliant restroom. The 750 square foot warehouse area will contain: one (1) gas furnace; one (1) ceiling fan; one (1) slop sink; two (2) metal halide low bay light fixtures; sealed concrete floor; and one (1) 100 amp. 3-phase, 208v electrical service; and allowance for five (5) 110v duplex electrical outlets in warehouse, Tenant will be responsible for its: security; telephone; network cabling; internet service or equipment; furniture installation; and trade fixtures.

Sprinkler System: The Premises will be served by a wet-sprinkler system. The non-office area sprinkler coverage is designed in accordance with the National Fire Protection Association Standard, NFPA 13, "Installation of Sprinkler Systems", for Class IV Commodities, general storage to 16 feet. General storage includes palletized and solid pile storage without racks. In accordance with NFPA and local governing authorities a "Tenant Information Certificate" is required to be submitted to the governing authority along with Tenant's leased premise sprinkler design plans for approval and permits. Tenant agrees to complete the Certificate and submit it to Landlord immediately following lease execution. Any sprinkler system upgrades or modifications to the basic building sprinkler system, described above, required by any governing authority dictated by Tenant's use or occupancy of the Premises will be Tenant's responsibility

### **WINDOW COVERINGS**

35. Tenant shall not install any window covering other than a one-inch horizontal mini-blind of an off-white color unless approved in writing by Landlord.

### **RULES AND REGULATIONS**

36. Tenant shall at all times comply with the Rules and Regulations attached hereto. Landlord shall make a reasonable effort to enforce the Rules and Regulations equitably against all tenants of the Property.



**SECURITY DEPOSIT AGREEMENT**

This is **NOT** a receipt. Date: 12/15/08

Received from SolRayo, LLC, the amount of \$1,500, as security deposit for the Premises 4005 Felland Road, Suite 107, Madison, WI 53178.

Landlord agrees that, subject to the conditions listed below. This security deposit will be returned in full within thirty (30) days of vacancy.

Tenant agrees that this security deposit may not be applied by Tenant as rent and that the full monthly rent will be paid on or before the first day of every month, including the last month of occupancy. Tenant further agrees that a mortgagee of the property demised by the Lease to which this Security Deposit Agreement is appended and/or a mortgagee thereof in possession of said property and/or a purchaser of said property at a foreclosure sale shall not have any liability to Tenant for this security deposit.

**SECURITY DEPOSIT RELEASE PREREQUISITES**

1. Full term of Lease has expired.
2. No damage to property beyond ordinary wear and tear.
3. Entire Premises broom clean and in order.
4. No unpaid late charges or delinquent rents, or other delinquent sums payable by Tenant.
5. All keys returned to Landlord.
6. All debris and rubbish and discards placed in proper rubbish containers.
7. Forwarding address left with Landlord.

**AS WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:**

**WITNESS:**  
\_\_\_\_\_

**TENANT: SOLRAYO, LLC**  
By /s/ Kevin Leonard  
Printed Name: Kevin Leonard

**WITNESS:**  
\_\_\_\_\_

**LANDLORD: ST. JOHN Properties, Inc.**  
By /s/ Greg Fax  
Printed Name: Greg Fax

**XIX: Articles of Incorporation and Bylaws**

**AS AMENDED  
CERTIFICATE OF INCORPORATION  
OF  
ENABLE IPC CORPORATION**

**ARTICLE I  
NAME**

The name of the corporation is Enable IPC Corporation (hereinafter called the "Corporation").

**ARTICLE II  
REGISTERED OFFICE AND AGENT**

The address of the registered office of the Corporation in the state of Delaware is 15 East North Street Dover, Delaware 19901. The name of its registered agent at such address is Amerisearch Corporate Services, Inc.

**ARTICLE III  
PURPOSES AND POWERS**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

**ARTICLE IV  
CAPITAL STOCK**

This Corporation is authorized to issue two (2) classes of shares to be designated respectively common stock ("Common Stock") and preferred stock ("Preferred Stock"). The total number of shares of capital stock that the Corporation shall have authority to issue is two hundred sixty million (260,000,000) shares, of which two hundred fifty million (50,000,000) shares shall be Common Stock, \$.001 par value per share, and ten million (10,000,000) shares shall be Preferred Stock, \$.001 par value per share. The Board of Directors of the Corporation (the "Board of Directors") is hereby authorized to provide for the issue of all or any of the remaining shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter, for each such series, such powers, designations, preferences and relative participating, optional or other rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series and as may be permitted by the General Corporation Law of the State of Delaware.

**ARTICLE V  
BOARD OF DIRECTORS**

The number of directors of the Corporation shall be as provided in the Corporation's bylaws. The names of the directors constituting the initial Board of Directors of the Corporation shall be as elected by the incorporator at the organizational meeting of the Corporation. Election of directors need not be by written ballot except and to the extent provided in the bylaws of the Corporation. The Board of Directors shall have the power to adopt, amend or repeal the bylaws.

**ARTICLE VI  
LIMITATION ON LIABILITY OF DIRECTORS**

To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same now exists or may hereafter be amended in a manner more favorable to directors, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. Neither any amendment nor repeal of this Article VI, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VI, shall eliminate or reduce the effect of this Article VI in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article VI, would accrue or arise, prior to such amendment, repeal or adoption of any inconsistent provision.

**ARTICLE VII  
INDEMNIFICATION**

The Corporation may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or his or her testator or intestate is or was a director, officer or employee of the Corporation, or any predecessor of the Corporation, or serves or served at any other enterprise as a director, officer or employee at the request of the Corporation or any predecessor to the Corporation. Any repeal or modification of this paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of the above identified persons existing at the time of such repeal or modification.

**ARTICLE VIII  
TERM OF EXISTENCE**

The Corporation is to have perpetual existence.

**ARTICLE IX  
INCORPORATOR**

The name and address of the incorporator are as follows:

David A. Walker  
25030 Avenue Stanford, Suite 240  
Valencia, CA 91355

In witness whereof, this certificate has been signed by David A Walker, the incorporator of the Corporation, as of March 17, 2005

/s/ David A. Walker  
David A. Walker

As amended:

April 23, 2010

/s/ David A. Walker

**AMENDED AND RESTATED BYLAWS  
OF  
ENABLE IPC CORPORATION,  
a Delaware Corporation**

**Effective July 26, 2007**

**ARTICLE I  
Stockholders**

**Section 1.1 Annual Meetings.** An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

**Section 1.2 Special Meetings.** Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors which has been duly designated by the Board of Directors and whose powers and authority include the power to call such meetings, but such special meetings may not be called by any other person or persons.

**Section 1.3 Notice of Meetings.** Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by applicable law or the Certificate of Incorporation, the written notice of any meeting shall be given not less than ten (10), nor more than sixty (60), days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation.

**Section 1.4 Adjournments.** Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

**Section 1.5 Quorum.** At each meeting of stockholders, except where otherwise provided by law or the Certificate of Incorporation or these Bylaws, the holders of one-third of the outstanding shares of stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided in Section 1.4 of these

Bylaws until a quorum shall attend. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

**Section 1.6 Organization.** Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the absence of such person, the President, or in his or her absence by a Vice President, or in the absence of the foregoing persons, by a chairman designated by the Board of Directors, or in the absence of such designation, by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

**Section 1.7 Voting; Proxies.** Unless otherwise provided by law or the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by him or her who has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy, which is not irrevocable, by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. Unless otherwise required by law, voting at meetings of stockholders need not be by written ballot and need not be conducted by inspectors unless the Board of Directors, or holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law or by the Certificate of Incorporation or these Bylaws, be decided by the vote of the holders of a majority of the outstanding shares of stock entitled to vote thereon present in person or by proxy at the meeting.

**Section 1.8 Fixing Date for Determination of Stockholders of Record.**

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date such record date is fixed and shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given. The record date for any other purpose other than

stockholder action by written consent shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date, on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

**Section 1.9 List of Stockholders Entitled to Vote.** The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

**Section 1.10 Inspectors of Elections; Opening and Closing the Polls.**

(a) If required by the Delaware General Corporation Law, the Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as

officers, employees, agents or representatives of the Corporation, to act at the meeting and make a written report thereof. The procedures, oath, duties, and determinations with respect to inspectors shall be as provided under the Delaware General Corporation Law.

(b) The chairman of any meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

**Section 1.11** Action by Written Consent of Stockholders. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

## **ARTICLE II**

### **Board of Directors**

**Section 2.1** Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. The initial number of directors shall be between seven (7) and eleven (11), and thereafter the exact number of directors shall be fixed from time to time by resolution of the Board of Directors. Directors need not be stockholders.

**Section 2.2** Election; Resignation; Removal; Vacancies. In an organizational meeting of the Board, following the adoption of these Bylaws, the Board shall divide itself into two groups of two directors each and one group of three directors. The terms of office for each group of directors shall be staggered. The first group of directors shall hold office until the next following annual meeting of the Board and shall be elected for three year terms thereafter, the second group shall hold office until the second following annual meeting of the Board and shall be elected for three year terms thereafter, and so on. The directors in each group shall hold office until the annual meeting at which their terms expire and until their respective successors are elected and qualified. At each annual meeting of the Board, a number of directors shall be elected by the entire Board equal to the number of directors whose terms shall have expired at the time of such meeting.

Any Director may resign at any time upon written notice to the Corporation. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the Board, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each Director so elected shall hold office until the expiration of the term of office of the Director whom he or she has replaced.

**Section 2.3** Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of

Directors may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board of Directors.

**Section 2.4 Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman of the Board, the President or a majority of the members of the Board of Directors then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given, orally or in writing, by the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile or similar communication method. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

**Section 2.5 Telephonic Meetings Permitted.** Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

**Section 2.6 Quorum; Vote Required for Action.** At all meetings of the Board of Directors a majority of the whole Board shall constitute a quorum for the transaction of business. Except as otherwise provided in these Bylaws or in the Certificate of Incorporation or required by law, the vote of a majority of the directors present shall be the act of the Board of Directors.

**Section 2.7 Organization.** Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his or her absence by the Vice Chairman of the Board, if any, or in his or her absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

**Section 2.8 Written Action by Directors.** Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

**Section 2.9 Powers.** The Board of Directors may, except as otherwise required by law or the Certificate of Incorporation, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

**Section 2.10 Compensation of Directors.** Directors, as such, may receive, pursuant to a resolution of the Board of Directors, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board of Directors.

### **ARTICLE III Committees**

**Section 3.1 Committees.** The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to amending the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided in Section 151(a) of the General Corporation Law, fix any of the preferences or rights of such shares, except voting rights of the shares), adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of dissolution, or amending these Bylaws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

**Section 3.2 Committee Rules.** Unless the Board of Directors otherwise provides, each committee designated by the Board may make, alter and repeal rules for conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

## **ARTICLE IV Officers**

**Section 4.1 Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies.** The Board of Directors shall choose a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice-Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding this election, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation. The same person may hold any number of offices. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

**Section 4.2 Powers and Duties of Executive Officers.** The officers of the Corporation shall have such powers and duties in the management of the Corporation as may be prescribed by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

**Section 4.3 Compensation.** The salaries of all officers and agents of the Corporation shall be fixed from time to time by the Board of Directors or by a committee appointed or officer designated for such purpose, and no officer shall be prevented from receiving such compensation by reason of the fact that he is also a director of the Corporation.

## **ARTICLE V Stock**

**Section 5.1 Certificates.** Every holder of stock shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by him or her in the Corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent, or registrar at the date of issue.

**Section 5.2 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.** The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his or her legal representative, to agree to indemnify the Corporation and/or to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

**Section 5.3 Other Regulations.** The issue, transfer, conversion and registration of stock certificates shall be governed by such other regulations as the Board of Directors may establish.

## **ARTICLE VI Indemnification**

**Section 6.1 Right to Indemnification.** The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended in a manner more favorable to indemnities, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another

corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3 below, the Corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors of the Corporation.

**Section 6.2 Prepayment of Expenses.** The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should ultimately be determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise; and provided, further, that the Corporation shall not be required to advance any expenses to a person against whom the Corporation directly brings a claim, in a proceeding, alleging that such person has breached his or her duty of loyalty to the Corporation, committed an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, or derived an improper personal benefit from a transaction.

**Section 6.3 Claims.** If a claim for indemnification or payment of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the Corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or payment of expenses under applicable law.

**Section 6.4 Nonexclusivity of Rights.** The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article VI.

**Section 6.5 Other Sources.** The Corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

**Section 6.6 Amendment or Repeal.** Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

**Section 6.7 Other Indemnification and Prepayment of Expenses.** This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

**Section 6.8 Indemnification Contracts.** The Board of Directors is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification rights to such person. Such rights may be greater than those provided in this Article VI.

**Section 6.9 Effect of Amendment.** Any amendment, repeal or modification of any provision of this Article VI shall be prospective only, and shall not adversely affect any right or protection conferred on a person pursuant to this Article VI and existing at the time of such amendment, repeal or modification.

**Section 6.10 Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her or on his or her behalf in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VI.

**Section 6.11 Savings Clause.** If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and officer of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the full extent permitted by applicable law.

## **ARTICLE VII Miscellaneous**

**Section 7.1 Fiscal Year.** The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

**Section 7.2 Seal.** The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

**Section 7.3 Waiver of Notice of Meetings of Stockholders, Directors and Committees.** Any written waiver of notice, signed by the person entitled to notice, whether before or after the

time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

**Section 7.4 Interested Directors; Quorum.** No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

**Section 7.5 Form of Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of any information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

**Section 7.6 Reliance upon Books and Records.** A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

**Section 7.7 Certification of Incorporation Governs.** In the event of any conflict between the provisions of the Corporation's Certificate of Incorporation and these Bylaws, the provisions of the Certificate of Incorporation shall govern.

**Section 7.8 Severability.** If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Corporation's Certificate of

Incorporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation) shall remain in full force and effect.

**Section 7.9 Amendments.** Stockholders of the Corporation holding a majority of the Corporation's outstanding voting stock shall have power to adopt, amend or repeal Bylaws. To the extent provided in the Corporation's Certificate of Incorporation, the Board of Directors of the Corporation shall also have the power to adopt, amend or repeal Bylaws of the Corporation, except insofar as Bylaws adopted by the stockholders shall otherwise provide.

**CERTIFICATION OF BYLAWS  
OF  
ENABLE IPC CORPORATION,  
(a Delaware corporation)**

KNOW ALL BY THESE PRESENTS:

I, Vickie L. Walker, certify that I am the Secretary of Enable IPC Corporation, a Delaware corporation (the “Company”), that I am duly authorized to make and deliver this certification, that the attached Bylaws are a true and correct copy of the Bylaws of the Company in effect as of the date of this certificate.

Dated: July 26, 2007

/s/ Vickie L. Walker  
Vickie L. Walker, Secretary

**XX: Purchases of Equity Securities by the Issuer and Affiliated Purchasers.**

N/A

**XXI: Issuer's Certifications**

I, David A. Walker, certify that:

1. I have reviewed this initial disclosure statement of Enable IPC Corporation;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: August 2, 2010

A handwritten signature in black ink that reads "David A. Walker". The signature is written in a cursive, flowing style.

Chief Executive Officer,  
Acting Chief Financial Officer