

CREATIVE REALITIES, INC.

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): February 18, 2015

CREATIVE REALITIES, INC.
(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-33169

(Commission File Number)

41-1967918

(IRS Employer
Identification No.)

55 Broadway, 9th Floor, New York NY 10006
(Address of principal executive offices)

(212) 324-6660
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into Material Definitive Agreement.

Securities Purchase Agreement with Mill City Ventures III, Ltd.

On February 18, 2015, Creative Realities, Inc. (the “Company”) entered into a Securities Purchase Agreement with Mill City Ventures III, Ltd. (“Mill City”), pursuant to which it offered and sold a secured convertible promissory note in the principal amount of \$1,000,000 and a five-year warrant to purchase up to 1,515,152 shares of the Company’s common stock at a per-share price of \$0.38, in a private placement exempt from registration under the Securities Act of 1933.

Creative Realities, LLC, Wireless Ronin Technologies Canada, Inc., and Broadcast International, Inc., the Company’s principal subsidiaries, are co-makers with the Company of the secured convertible promissory note. Obligations under the secured convertible promissory note are secured by a grant of collateral security in the accounts receivable and related proceeds of all co-makers pursuant to the terms of a security agreement.

The secured convertible promissory note bears interest at the annual rate of 12%, and matures on August 18, 2016. At any time prior to the maturity date, Mill City may convert the outstanding principal and accrued and unpaid interest at a conversion rate of \$0.33 per share, as adjusted for stock splits and similar adjustments. Upon the consummation of a change in control transaction of the Company or of an offering of securities of the Company in which the gross proceeds to be received by the Company equal, when aggregated with all prior financings involving the sale of securities of the Company from and after February 18, 2015 (but exclusive of the amounts borrowed under the Mill City secured convertible promissory note), at least \$3.5 million, Mill City may elect to convert the secured convertible promissory note into shares of common stock of the Company or elect repayment. The Company may prepay the secured convertible promissory note at any time, provided any principal amount prepaid must be accompanied by the payment of minimum amount of interest that, when aggregated with earlier payments of interest, equals at least 365 days of interest thereon. The secured convertible promissory note contains other customary terms.

The foregoing disclosure is qualified by the forms of securities purchase agreement, secured convertible promissory note, warrant and security agreement attached this report as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively.

Sale of Series A Preferred Stock and Related Warrants.

Also on February 18, 2015, the Company entered into Subscription Agreements, pursuant to which Don Harris, a director of the Company, and Paul Price, the Chief Executive Officer of the Company and a director, subscribed for shares of the Company’s Series A Convertible Preferred Stock and related warrants in the aggregate amount of \$90,000, and Slipstream Communications, LLC surrendered a Promissory Note of the Company dated January 28, 2015 and in the principal amount of \$175,000, and converted such entire principal amount, plus accrued but unpaid interest thereon, into Series A Convertible Preferred Stock and related warrants. The warrants contain a cashless exercise feature and have a term of five years. The warrants are exercisable at a price of \$0.50 per common share, as adjusted for stock splits, dilutive issuances and similar adjustments. As a result of the issuance of the convertible promissory note issued to Mill City set forth above, the exercise price is currently \$0.49 per common share.

The Company offered the securities set forth in this Item 1.01 in reliance on the statutory exemptions from registration under Section 4(a)(2) of the Securities Act, including Rule 506 thereunder. The Company relied on this exemption based on the fact that all investors were accredited investors. Such securities offer and subscription for securities in the private placement were not registered under the Securities Act of 1933, and therefore may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The disclosure about the private placement contained in this report does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company, and is made only as required under applicable rules for filing current reports with the SEC, and as permitted under Rule 135c of the Securities Act of 1933.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosures in Item 1.01 regarding the Company's sale of a secured convertible promissory note are hereby incorporated into this Item. The Company's obligations under the promissory note may be accelerated upon customary events, such as payment defaults and events of bankruptcy.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosures in Item 1.01 regarding the Company's issuance of a secured convertible promissory note and related warrant to purchase Company common stock, and regarding the subscription for Series A Preferred Stock and related warrants to purchase common stock, are hereby incorporated into this Item.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Securities Purchase Agreement dated February 18, 2015, by and between Creative Realities, Inc. and Mill City Ventures III, Ltd. (filed herewith)
10.2	Secured Convertible Promissory Note dated February 18, 2015, issued in favor of Mill City Ventures III, Ltd. (filed herewith)
10.3	Warrant dated February 18, 2015, issued in favor of Mill City Ventures III, Ltd. (filed herewith)
10.4	Security Agreement dated February 18, 2015, by and among Creative Realities, Inc. and Broadcast International, Inc., Creative Realities, LLC, and Wireless Ronin Technologies Canada, Inc. (filed herewith)

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

CREATIVE REALITIES, INC.:
(REGISTRANT)

By: /s/ John Walpuck

JOHN WALPUCK

*Chief Financial Officer and
Chief Operating Officer*

Dated: February 24, 2015

EXHIBIT INDEX

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SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “Agreement”) is dated as of February 18, 2015, by and among (i) Creative Realities, Inc., a Minnesota corporation (the “Company”) and Creative Realities, Inc., a Utah corporation, Creative Realities, LLC, a Delaware limited liability company, and Wireless Ronin Technologies Canada, Inc., a Canada corporation (such entities, together with the Company, the “Company Parties”) and (ii) Mill City Ventures III, Ltd., a Minnesota corporation (“Purchaser”).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to an exemption from the registration requirements of Section 5 of the Securities Act contained in Section 4(a)(2) thereof and/or Regulation D thereunder, the Company Parties desire to issue and sell to Purchaser, and Purchaser desires to purchase from the Company Parties, securities of the Company and the Company Parties as more fully described in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company Parties and Purchaser hereby agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Note, as defined herein, and (b) the following terms have the meanings set forth in this Section 1.1:

“Action” shall have the meaning ascribed to such term in Section 3.1(j).

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the Board of Directors of the Company.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Closing” means any closing of the purchase and sale of the Securities pursuant to Section 2.1.

“Closing Date” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the parties thereto, and all conditions precedent to (i) the Purchaser’s obligations to pay the Purchase Amount and (ii) the obligations of the Company Parties to deliver the Securities, in each case, have been satisfied or waived, but in no event later than the third Trading Day following the date hereof, all as contemplated in Section 2.1.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.01 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries, which would entitle the holder thereof to acquire at any time Common Stock.

“Company Counsel” means Maslon LLP, with offices located at 3300 Wells Fargo Center, 90 South Seventh Street, Minneapolis, Minnesota 55402.

“Conversion Price” shall have the meaning ascribed to such term in the Note.

“Conversion Shares” shall have the meaning ascribed to such term in the Note.

“Disclosure Schedules” means the Disclosure Schedules of the Company delivered concurrently herewith.

“Exchange Act” means the Securities Exchange Act of 1934, and the rules and regulations thereunder.

“GAAP” shall have the meaning ascribed to such term in Section 3.1(h).

“Indebtedness” shall have the meaning ascribed to such term in Section 3.1(p).

“Laws” shall have the meaning ascribed to such term in Section 3.1(k).

“Lien” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to: (i) the legality, validity or enforceability of any Transaction Document, (ii) the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) the Company’s ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

“Note” means the Secured Convertible Promissory Notes of the Company Parties offered and sold pursuant to this Agreement, the form of which is attached hereto as Exhibit A.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or instrumentality of a government).

“Principal Market” means the primary national securities exchange on which the Common Stock is then traded.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Purchase Amount” means the aggregate amount to be paid for a Note and associated Warrants purchased hereunder as specified below the Purchaser’s name on the signature page of this Agreement and next to the heading “Purchase Amount,” in United States dollars and in immediately available funds.

“Purchaser Party” shall have the meaning ascribed to such term in Section 4.2.

“Required Approvals” shall have the meaning ascribed to such term in Section 3.1(e).

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Reports” shall have the meaning ascribed to such term in Section 3.1(h).

“Securities” means the Note, the Warrants and the Underlying Shares.

“Securities Act” means the Securities Act of 1933, and the rules and regulations thereunder.

“Security Agreement” means that certain Security Agreement by and among the Company, Broadcast International, Inc., Creative Realities, LLC, and Wireless Ronin Technologies Canada, Inc., made in favor of the Purchaser, and pursuant to which the above-named corporate parties shall grant a security interest in their respective accounts receivable as collateral security for the obligations of the Company under the Note. The form of Security Agreement is attached hereto as Exhibit C.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Subsidiary” means any subsidiary of the Company as set forth on Schedule 3.1(a)

“Trading Day” means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any business day.

“Transaction Documents” means this Agreement, the Note, the Warrants, the Security Agreement, and all exhibits and schedules hereto and thereto and any other documents or agreements executed in connection with the transactions contemplated hereunder and thereunder.

“Underlying Shares” means the Conversion Shares and the Warrant Shares.

“Warrants” means, collectively, the Common Stock purchase warrants delivered to the Purchaser at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be in the form of Exhibit B attached hereto.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Warrants.

**ARTICLE II.
PURCHASE AND SALE**

2.1 Closing. On the Closing Date, and upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company Parties agree to sell, and the Purchaser agrees to purchase, \$1,000,000 in principal amount of a Note (at face value), and (ii) a number of Warrants as determined pursuant to Section 2.2(a)(iii). The Purchaser shall deliver to the Company, via wire transfer of immediately available funds equal to its Purchase Amount as set forth on the signature page hereto executed by such Purchaser, and the Company Parties shall deliver to the Purchaser an executed Note and a Warrant as determined pursuant to Section 2.2(a). In addition, the Company Parties and the Purchaser shall deliver the other items set forth in Section 2.2 at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Company Counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or shall have earlier delivered to the Purchaser the following:

(i) this Agreement duly executed by the Company Parties;

(ii) a Note registered in the name of the Purchaser and in the original principal amount equal to the Purchase Amount of such Purchaser;

(iii) a Warrant registered in the name of such Purchaser to purchase, at any time and from time to time, an aggregate number of shares of Common Stock equal to 50% of the number of Conversion Shares issuable upon any conversion of the Note, as determined at the time issued to the Purchaser at the Closing and at the initial Conversion Price;

(iv) the Security Agreement duly executed by each corporate party thereto; and

(v) a legal opinion from Company Counsel, in customary form and substance for transactions of the nature contemplated by this Agreement.

(b) On or prior to the Closing Date, the Purchaser shall deliver or shall have earlier delivered to the Company the following:

(i) this Agreement duly executed by such Purchaser; and

(ii) Purchaser's Purchase Amount by wire transfer to the account specified in writing by the Company, less a two percent (2.0%) origination fee (i.e., \$20,000) and less the reimbursable expenses described in Section 6.2 below.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed;

(iii) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(iv) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a Material Adverse Effect.

(c) Authorization; Enforcement. The Company and the Subsidiaries have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents, as applicable, and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's shareholders in connection herewith or therewith other than in connection with the Required Approvals. The execution and delivery of the applicable Transaction Documents by the Subsidiaries, as applicable, and the consummation by the Subsidiaries of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company or the boards of directors or other governing bodies of the Subsidiaries in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and the Subsidiaries, as applicable, and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company and the Subsidiaries, as applicable, of this Agreement and the other Transaction Documents to which they are a party, the issuance and sale of the Securities and the consummation by the Company and the Subsidiaries, as applicable, of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Shares and Underlying Shares for trading thereon in the time and manner required thereby, if any, and (ii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws, which filings will be made by the Company within the time period required by such laws (collectively, the “Required Approvals”).

(f) Issuance of the Securities. The Note is duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be a duly and validly issued security of the Company, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and non-assessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents.

(g) Capitalization. The capitalization of the Company as of January 31, 2015, is as set forth on Schedule 3.1(g). The Company has not issued any capital stock since that date except as may be disclosed in SEC Reports, other than pursuant to the exercise of employee stock options, or pursuant to the conversion or exercise of Common Stock Equivalents. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents, except as set forth on Schedule 3.1(g). Except with respect to the holders of the Company’s Series A Preferred Convertible Stock and warrants issued in association therewith (and the conversion prices and exercise prices thereof, respectively, both of which will be adjusted as a result of the issuance of the Securities pursuant to this Agreement), the issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities.

(h) SEC Reports; Financial Statements . The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “SEC Reports”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved (“GAAP”), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments . Since the date of the latest SEC Report, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company’s financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information.

(j) Litigation . There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “Action”) which could reasonably be expected to have a Material Adverse Effect or that adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities. Attached as Schedule 3.1(j) is a summary of currently pending Actions involving the Company and the Subsidiaries. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters (collectively, “Laws”), except in each case as is set forth on Schedule 3.1(k).

(l) Title to Assets. The Company and the Subsidiaries do not own any real property. The Company and the Subsidiaries have good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties.

(m) Fees. No brokerage or finder’s fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents.

(n) Private Placement. Assuming the accuracy of the Purchaser’s representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Note, Warrants and Underlying Shares by the Company to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(o) Disclosure. The Company acknowledges and agrees that the Purchaser has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2.

(p) Indebtedness. Schedule 3.1(p) sets forth, all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, the term “Indebtedness” means (y) any liabilities for borrowed money or amounts owed in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business); (z) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company’s consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business. Except as set forth on Schedule 3.1(p), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(q) Tax Status. Except as set forth on Schedule 3.1(q), the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

The Purchaser acknowledges and agrees that the representations contained in Section 3.1 shall not affect the Company's right to rely on such Purchaser's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. The Purchaser is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation with full right, corporate power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. The Purchaser is acquiring the Securities hereunder in the ordinary course of its business. The Purchaser understands that the Note, Warrants and Underlying Shares are "restricted securities" and will not have been registered under the Securities Act or any applicable state securities law, and represents that it is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law.

(c) Opportunity to Obtain Information. The Purchaser acknowledges that representatives of the Company have made available to the Purchaser the opportunity to review the books and records of the Company and its Subsidiaries and to ask questions of and receive answers from such representatives concerning the business and affairs of the Company and its Subsidiaries.

(d) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it converts any portion of the Note or exercises any Warrants, it will be an “accredited investor” as defined in Rule 501 under the Securities Act.

(e) Experience of Such Purchaser. The Purchaser has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(f) General Solicitation. The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(g) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Other than to other Persons party to this Agreement, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not affect such Purchaser’s right to rely on the Company’s representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES

4.1 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder to provide working capital for the Company and its Subsidiaries.

4.2 Indemnification. Subject to the provisions of this Section 4.2, the Company will indemnify and hold the Purchaser and its directors, officers, employees and agents (each, a “Purchaser Party”) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys’ fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party’s representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such shareholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel, or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel in the aggregate (i.e., for all Purchaser Parties). The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company’s prior written consent, which shall not be unreasonably withheld or delayed, or (z) to the extent, but only to the extent, that a loss, claim, damage or liability is attributable to any Purchaser Party’s breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents.

4.3 Reservation of Securities; Reporting Status; Compliance with Laws. The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to issue all of the Underlying Shares. In addition, from and after the date hereof and for so long as the Note remains issued and outstanding, the Company will (i) continue to file SEC Reports with the Commission, (ii) use commercially reasonable efforts to maintain its listing or quotation on a Trading Market, and (iii) will comply with all Laws.

4.4 Certain Transactions and Confidentiality. The Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company’s securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced by the Company. Furthermore, the Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules.

4.5 Financial Reports. For so long as the Note remains issued and outstanding, the Company will provide to the Purchaser monthly profit and loss statements and balance sheets concurrently with the provision of such financial information to one or more directors of the Company, or as soon as such financial information becomes available (if not requested by or provided to one or more directors of the Company), whichever is sooner; provided, however, that beginning with the month of April 2015, such financial information shall in no event be provided later than 15 Business Days after the end of each month.

4.6 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of any Securities other than pursuant to an effective registration statement or Rule 144, or to the Company, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company (the fees and expenses of which shall be paid by such transferor), the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Agreement, of a legend on any of the Note, Warrants and Underlying Shares in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, TO THE EXTENT REQUIRED BY THE SECURITIES PURCHASE AGREEMENT DATED AS OF FEBRUARY 18, 2015, BY AND BETWEEN THE ISSUER AND MILL CITY VENTURES III, LTD. , THE SUBSTANCE OF WHICH OPINION SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

4.7 General Covenants. During any such time as the Note(s) remain outstanding, the Company shall not take any of the following actions without the prior written approval of Purchasers (or its assignees) holding at least a majority in then-outstanding principal amount of the Note(s): (a) declare or pay any cash dividends on account of any Common Stock; (b) redeem any capital stock of the Company; or (c) incur any debt for borrowed money that is senior to the obligations under the Note in respect of payment or in respect of the "Collateral," as such term is defined in the Security Agreement.

**ARTICLE V.
REGISTRATION RIGHTS**

5.1 Resale Registration Statement. The Company shall amend its Registration Statement on Form S-1 (File No. 333-201806) (the “Resale Registration Statement”) to include the Underlying Shares.

5.2 Cut-Back. If, for any reason, the Commission (including an independent determination by the Company, in consultation with Company Counsel, based on existing written guidance or applicable rules of the Commission) or an underwriter participating in an underwritten primary offering conducted pursuant to the Resale Registration Statement requires that the number of shares to be registered for resale pursuant to the Resale Registration Statement be reduced, then such reduction (the “Cut Back”) shall be allocated pro rata among the parties whose shares have been included in the Resale Registration Statement, until the reduction so required shall have been effected.

5.3 Expenses. All expenses incurred by the Company in complying with this Article 5, including without limitation all registration and filing fees, printing expenses (if required), fees and disbursements of counsel and independent public accountants for the Company, fees and expenses (including reasonable counsel fees) incurred in connection with complying with state securities or “blue sky” laws, fees of the FINRA, transfer taxes, and fees of transfer agents and registrars, are called “Registration Expenses.” The Company will pay all Registration Expenses in connection with the Resale Registration Statement.

**ARTICLE VI.
GENERAL PROVISIONS**

6.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the Company if the Closing has not been consummated on or before 30 days of the date hereof.

6.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement; provided, however, that the Company will pay for the reasonable attorneys’ fees of the Purchaser incurred in the course of negotiating, preparing the Transaction Documents in an aggregate amount not to exceed \$7,000. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

6.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (Minneapolis, Minnesota time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (Minneapolis, Minnesota time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

6.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser (or, in the case that any portion of the Note shall have been assigned, then the holders of at least a majority in the then-outstanding principal amount of the Notes may waive, modify or amend this Agreement), and in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

6.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

6.8 Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

6.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Hennepin County, Minnesota. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Hennepin County, Minnesota, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

6.10 Execution. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. If any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

6.11 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

6.12 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.13 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

6.14 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto.

6.15 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMPANY PARTIES

CREATIVE REALITIES, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

BROADCAST INTERNATIONAL, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: /s/ John Walpuck
John Walpuck
Chief Executive Officer

WIRELESS RONIN TECHNOLOGIES CANADA, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

Address for Notice to the Company Parties:

55 Broadway, 9th Floor
New York, New York 10006
Facsimile: 973-244-1535

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned has caused this Securities Purchase Agreement to be duly executed by its respective authorized signatories as of the date first indicated above.

Name of Purchaser: **Mill City Ventures III, Ltd.**

Signature of Authorized Signatory of Purchaser : /s/ Douglas M. Polinsky

Name of Authorized Signatory: Douglas M. Polinsky

Title of Authorized Signatory: Chief Executive Officer

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser: **328 Barry Avenue S., Suite 210, Wayzata, MN 55391**

Address for Delivery of Note and Warrants to Purchaser (if not same as address for notice):

Purchase Amount: \$ **1,000,000.00**

Warrant Shares: **1,515,152**

EIN Number: _____

Exhibit A

Attached is the form of Note

Exhibit B

Attached is the form of Warrant

Exhibit C

Attached is the form of Security Agreement

Schedule 3.1(a)
Subsidiaries

Parent Subsidiary	Jurisdiction of Organization
Creative Realities, LLC	Delaware
Wireless Ronin Technologies Canada, Inc.	Canada
Broadcast International, Inc.	Utah
Interact Devices, Inc.	California

Schedule 3.1(g)
Capitalization

Creative Realities, Inc. Master Cap Table

Proprietary & Confidential

	Beginning Balances	Merger Transactions			Post-Closing
	Wireless Ronin Technologies, Inc.	Broadcast International, Inc.	CRI, LLC	Creative Realities, Inc.	Fully Diluted
Common Equity	6,789,566	7,180,477	29,138,580		43,108,623
Stock Options	1,291,834	6,356		6,929,710	8,227,900
Warrants	2,304,971	222,933	8,266,515		10,794,419
Debt Conversions	3,196,549				3,196,549
Convertible Preferred			12,975,000	281,120	13,256,120
Fully Diluted	13,582,920	7,409,766	50,380,095	7,210,830	78,583,612

Notes: (1) "Convertible Preferred" is presented on an as-converted basis, and the 281,120 shares presented in the Creative Realities, Inc. column are shares issued as in-kind dividends in connection with a 12/31/2014 dividend payment. (2) "Debt Conversions" are common shares issued upon the conversion of debt that took place coincident with the closing of the merger transaction with Creative Realities, LLC in August 2014. Thus, those shares should be understood as being issued and outstanding.

Schedule 3.1(j)
Actions

Company vs. HMN, Inc.

In August 2014, we initiated a breach-of-contract lawsuit against a customer and certain parties related to that customer for failure to pay. The defendants have answered and asserted counterclaims. In the event we are unable to reach a negotiated settlement with the defendants, we intend to litigate our claims and contest the defendants' counterclaims. At this time, we do not believe this matter is likely to have a material and adverse impact on the Company.

Company vs. Core Technologies, Inc.

In November 2014, a former vendor alleging our failure to pay outstanding invoices initiated a breach-of-contract lawsuit against us. We have answered and asserted certain counterclaims. In the event we are unable to reach a negotiated settlement with the vendor, we intend to litigate our counterclaims and contest those claims made against us. At this time, we do not believe this matter is likely to have a material and adverse impact on the Company.

Schedule 3.1(k)
Compliance

Broadcast International, Inc. entered into certain agreements in settlement of various payables coincident with the closing of the merger transaction of that corporation with the Company (which was effected on August 1, 2014). Certain of the closing and post-closing payments required by those settlement agreements have not been made. No actions have been instituted by any of the contracting parties relating to that Subsidiary's non-performance.

Schedule 3.1(p)
Indebtedness

Creative Realities, LLC is a party to a three-year master lease agreement with Dell Computer including a \$50,000 leasing line established December 2014. Presently, we have used approximately \$15,500 of this line to purchase computer equipment. The lease contains a \$1 buyout at the end of the term.

Schedule 3.1(q)
Tax Status

None.

NEITHER THIS NOTE NOR ANY OF THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. BY ACQUIRING THIS NOTE, THE HOLDER AGREES TO NOT SELL OR OTHERWISE DISPOSE OF THIS NOTE OR ANY SECURITIES INTO WHICH IT MAY BE CONVERTED WITHOUT REGISTRATION OR THE APPLICABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE AFORESAID ACTS AND THE RULES AND REGULATIONS THEREUNDER.

SECURED CONVERTIBLE PROMISSORY NOTE

\$1,000,000.00

February 18, 2015

FOR VALUE RECEIVED, Creative Realities, Inc., a Minnesota corporation (the “Company”), Creative Realities, Inc., a Utah corporation, Creative Realities, LLC, a Delaware limited liability company, and Wireless Ronin Technologies Canada, Inc., a Canada corporation (collectively, “Makers”), hereby jointly and severally promise to pay to the order of Mill City Ventures III, Ltd., or its successors, heirs or assigns (“Holder”), in lawful money of the United States of America, the principal sum of \$1,000,000, together with interest on the outstanding principal amount under this Secured Convertible Promissory Note (this “Note”) outstanding from time to time. This Note is being issued by Maker in connection with the execution and delivery of that certain Securities Purchase Agreement (the “Purchase Agreement”) dated the date hereof by and between Maker and Holder. Capitalized terms not defined herein shall have the meaning set forth in the Purchase Agreement.

1. Interest. Unless adjusted under Section 6.3, the interest on the outstanding principal amount of this Note shall accrue from the date hereof until payment in full at an annual rate equal to twelve percent (12%) (the “Interest Rate”), be payable monthly in arrears within five Business Days of the end of each calendar month after the date hereof (and commencing on March 6, 2015), and upon the Maturity Date, as defined below, or conversion or repayment pursuant to Section 3 or 4. Interest shall be calculated on the basis of a 365-day year, based on the actual number of days elapsed, and shall be payable in cash.

2. Maturity Date. Unless converted by Holder pursuant to the terms of Section 4, the principal amount of this Note, together with any remaining accrued but unpaid interest thereon, shall be due and payable in full on August 18, 2016 (“Maturity Date”).

3. Prepayment.

3.1 Optional Prepayment. At any time Maker may prepay all or any portion of the outstanding principal balance or accrued but unpaid interest hereunder upon at least ten days prior written notice to Holder, for a price equal to the sum (the “Prepayment Amount”) of (i) the then-outstanding principal to be prepaid, plus (ii) all accrued but unpaid interest thereon; provided, however, that any principal amount prepaid under this Section must be accompanied by the payment of a minimum amount of interest that, when aggregated with earlier payments of interest hereunder, equals at least 365 days of interest thereon calculated at the Interest Rate.

3.2 *Qualified Financings* . The Company shall provide Holder with at least ten days prior written notice before consummating an offering of equity securities, equity-linked securities, or debt securities of the Company in which the gross proceeds to be received by the Company equal, as of the date of such notice, and when aggregated with all prior financings involving the sale of equity securities, equity-linked securities, or debt securities of the Company from and after the date hereof (but exclusive of the amounts borrowed under this Note), at least \$3.5 million (a “Qualified Financing”). Within the ten-day period after the giving of such notice by the Company, Holder shall determine at its option whether to convert this Note pursuant to Section 4 or to elect repayment under this provision. If Holder fails to give written notice of any such election prior to the expiration of the ten-day period, then Holder shall be deemed to have elected repayment. If repayment is elected (or deemed elected) by Holder, the Company shall pay to Holder, at the time of consummation of the Qualified Financing, all then-outstanding principal of this Note plus all accrued and unpaid interest thereon.

3.3 *Change in Control Transaction* . The Company shall provide Holder with at least ten days prior written notice before consummating a Change in Control Transaction (as defined below). Within the ten-day period after the giving of such notice by the Company, Holder shall determine at its option whether to convert this Note pursuant to Section 4 or to elect repayment under this provision. If Holder fails to give written notice of any such election prior to the expiration of the ten-day period, then Holder shall be deemed to have elected repayment. For purposes of this Note, a “Change in Control Transaction” will mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events: (i) the sale of a majority of the assets of the Company; (ii) any Exchange Act Person, as defined below, becomes the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then-outstanding securities by virtue of a merger, consolidation or similar transaction; or (iii) there is consummated a merger, consolidation or similar transaction involving the Company (specifically including any triangular merger or consolidation) and, immediately after the consummation of such transaction, the shareholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control Transaction will not be deemed to occur (1) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person acquiring the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing through the issuance of equity securities, or (2) solely because or to the extent that the level of ownership held by any Exchange Act Person exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company, thereby reducing the number of shares outstanding. For purposes of this Note, “Exchange Act Person” shall mean any corporation, partnership, incorporated entity, unincorporated entity or association, or trust (each a “Person”), plus any individual natural person or “group” within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, together with any affiliates of the foregoing; provided, however, that “Exchange Act Person” will not include: (i) the Company or any subsidiary of the Company; (ii) any employee benefit plan of the Company or any subsidiary of the Company or any trustee or other fiduciary holding securities under an employee-benefit plan of the Company or any subsidiary of the Company; (iii) an underwriter temporarily holding securities pursuant to an offering of such securities; (iv) any Person owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of capital stock of the Company; or (v) any Person, individual natural person or “group” that, as of the original issue date of this Note and together with any affiliates of such Person, individual natural person or group, is the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then-outstanding securities.

4. Conversion; Repayment .

4.1 *Optional Conversion* . The unpaid principal amount of this Note or any accrued but unpaid interest thereon may at any time be converted, in whole or in part from time to time, at the option of the Holder, into shares of Common Stock at a conversion price equal to \$0.33 per share (the “Conversion Price”), subject, however, to adjustment pursuant to Section 4.3.

4.2 *Conversion Procedure* . In order for Holder to convert this Note into shares of Common Stock pursuant to Section 4.1, Holder shall surrender this Note to the Company accompanied by an executed conversion notice, the form of which is attached hereto as Exhibit A (the “Conversion Notice”). The Conversion Notice shall state the name or names (with address(es)) in which the certificate(s) for shares of Common Stock issuable upon such conversion (the “Conversion Shares”) shall be issued, and the amount of principal and accrued interest to be converted. On or before the third Trading Day (the “Conversion Share Delivery Date”) following the date on which the Company shall have received the Conversion Notice, Make shall (or direct its transfer agent to) either (1) deliver the Conversion Shares to Holder by crediting the account of Holder’s prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission system if the Company is then a participant in such system and either (x) there is an effective registration statement permitting the resale of the Conversion Shares by the Holder or (y) the Conversion Shares are eligible for resale without volume or manner-of-sale limitations pursuant to Rule 144 (delivery pursuant to this clause (1) being referred to as “DWAC Delivery”), or otherwise (2) issue and dispatch by overnight courier to the address as specified in the Conversion Notice, a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such conversion. If the Company is able to deliver Conversion Shares through DWAC Delivery but fails to deliver such Conversion Shares by the Conversion Share Delivery Date, the Company shall pay to Holder, in cash as liquidated damages and not as a penalty, \$20 per Trading Day for each \$1,000 of Conversion Shares subject to such delay.

4.3 *Equitable Adjustment* . If the Company, at any time while this Note is outstanding, shall (a) pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock, (b) subdivide outstanding shares of Common Stock into a larger number of shares, (c) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (d) issue shares of capital stock by reclassification, then the Conversion Price shall be equitably adjusted based upon the proportionate increase of outstanding shares resulting from such action. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend, distribution or actual conversion and shall become effective immediately after the effective date in the case of a subdivision, conversion, combination or re-classification; provided, however, that the issuance by the Company, to any employees, directors or consultants of the Company, of any options or warrants to purchase Common Stock shall not in any event result in an adjustment of the Conversion Price pursuant to this paragraph.

4.4 *Beneficial Ownership Limitations* . The Company shall not effect any conversion of the Note, and a Holder shall not have the right to convert any portion of the Note, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's "affiliates," as such term is defined in Rule 405 under the Securities Act, and any Persons acting as a group together with such Holder or any of such Holder's affiliates) would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining unconverted portion of the Note beneficially owned by such Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company that are subject to a limitation on conversion or exercise analogous to the limitation contained herein (including without limitation the Warrants) beneficially owned by such Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. To ensure compliance with this restriction, each Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this Section and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act.

For purposes of this Section, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company or (iii) a more recent written notice delivered to Holder by the Company or the transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including the Note, by such Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of any portion of the Note by the Holder. Upon no fewer than 61 days' prior written notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this Section applicable to its conversion rights under this Note, provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of Conversion Shares upon conversion of this Note and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other holder of a similar promissory note of the Company. The limitations contained in this paragraph shall apply to a successor holder of this Note.

5. No Fractional Shares. No fractional shares of Common Stock shall be issuable upon conversion of this Note, or upon the payment of any interest hereunder, and the amount of such shares of Common Stock issuable shall be rounded down to the nearest whole number of shares of Common Stock.

6. Default.

6.1 *Events of Default*. The occurrence of any one or more of the following events shall constitute an event of default hereunder (“Event of Default”):

(a) Maker fails to make any payment of principal when due under this Note, which failure continues for a period of five Business Days;

(b) Maker fails to make any payment of interest when due under this Note, which failure continues for a period of five Business Days;

(c) Maker fails to observe and perform any other covenant or agreement on the Maker’s part to be observed or performed under this Note, which failure continues for a period of five Business Days after notice of such failure has been delivered to Maker;

(d) Maker fails to observe and perform any of the covenants or agreements on their part to be observed or performed under any Transaction Document and such failure shall continue for more than five Business Days after notice of such failure has been delivered to Maker;

(e) the Company (on a consolidated basis with all of its Subsidiaries) fails to maintain a 2:1 ratio of (i) accounts receivable plus cash to (ii) the outstanding principal amount of the Note, as measured at the end of each month during which there is an outstanding principal amount under this Note, beginning as of April 30, 2015; provided, however, that Maker shall have a 15-day period in which to cure any default occurring under this paragraph (e) by delivering a consolidated balance sheet to Holder, certified by the Company, evidencing compliance with the above-described ratio;

(f) the Company admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy or a petition to take advantage of any insolvency act, makes an assignment for the benefit of its creditors, consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, on a petition in bankruptcy filed against it be adjudicated a bankrupt, or files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(g) a court of competent jurisdiction enters an order, judgment or decree appointing, without the consent of the Company, a receiver of the Company or of the whole or any substantial part of its property, or approving a petition filed against the Company seeking reorganization or arrangement of the Company under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(h) any court of competent jurisdiction assumes custody or control of the Company or of the whole or any substantial part of its property under the provisions of any other law for the relief or aid of debtors, and such custody or control is not be terminated or stayed within 90 days from the date of assumption of such custody or control.

6.2 *Notice by Maker* . Maker shall notify Holder in writing as soon as practicable under the circumstances, but in any event within five days after the occurrence of any Event of Default of which Maker obtains actual knowledge.

6.3 *Remedies* . Upon the occurrence of any Event of Default, (i) the entire unpaid principal balance hereunder plus all interest accrued and unpaid thereon and all other sums due and payable to Holder under this Note shall, at the option of Holder, become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by Maker and (ii) the Interest Rate on any principal balance and accrued but unpaid interest shall increase to an annual rate equal to eighteen percent (18%). To the extent permitted by law, Maker waives the right to and stay of execution and the benefit of all exemption laws now or hereafter in effect. In addition to the foregoing, upon the occurrence of any Event of Default, Holder may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Holder at law, equity or otherwise.

6.4 *Remedies Cumulative, Etc* . No right or remedy conferred upon or reserved to Holder under this Note, or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and concurrent, and shall be in addition to every other such right or remedy, and may be pursued singly, concurrently, successively or otherwise, at the sole discretion of Holder, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefor shall occur. No act of Holder shall be deemed or construed as an election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of Holder shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other.

6.5 *Costs and Expenses* . Maker will pay upon demand all reasonable costs and expenses of Holder, including reasonable attorneys' fees, incurred by Holder in enforcing its rights and remedies hereunder. If Holder brings suit (or files any claim in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights hereunder and shall be entitled to judgment (or other recovery) in such action (or other proceeding), then Holder may recover, in addition to all other amounts payable hereunder, its reasonable expenses in connection therewith, including reasonable attorneys' fees, and the amount of such expenses shall be included in such judgment (or other form of award).

7. Exchange or Replacement of Note.

7.1 *Exchange* . At its option, Holder may in person or by duly authorized attorney surrender this Note for exchange at the office of Maker, and at the expense of Maker receive in exchange therefor a new Note in the same aggregate principal amount as the aggregate unpaid principal amount of the Note so surrendered and bearing interest at the same annual rate as the Note so surrendered, each such new Note to be dated as of the original issue date and to be in such principal amount and payable to such person or persons, or order, as such holder may designate in writing.

7.2 *Replacement* . Upon receipt by Maker of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note and (in case of loss, theft or destruction) of indemnity satisfactory to it, and upon surrender and cancellation of this Note, if mutilated, Maker will make and deliver a new Note of like tenor in lieu of this Note.

8. General Provisions.

8.1 *Amendments, Waivers and Consents* . This Note may be amended, modified or supplemented, and waiver or consents to departures from the provisions of the Note may be given, if Maker and Holder both consent or agree in writing to the amendment, modification, waiver or consent.

8.2 *Severability* . In the event that for any reason one or more of the provisions of this Note or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provision shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8.3 *Assignment; Binding Effect* . Maker may not assign this Note without the prior written consent of Holder. Any attempted assignment in violation of this Section shall be null and void. Subject to the foregoing, this Note inures to the benefit of Holder, its successors and assigns, and binds each of the Maker, and its successors and permitted assigns. The words "Holder" and "Maker" herein shall be deemed and construed to include such respective successors and assigns.

8.4 *Notice* . All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable courier service with charges prepaid, or (iv) transmitted by hand delivery or facsimile, addressed as set forth on the signature pages hereto or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated on the signature page hereto (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

8.5 *Governing Law* . All questions concerning the construction, validity, enforcement and interpretation of this Note will be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Hennepin County, Minnesota. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Hennepin County, Minnesota, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

8.6 *Waiver of Jury Trial* . TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH MAKER AND HOLDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY OTHER TRANSACTION DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

* * * * *

IN WITNESS WHEREOF, Maker has executed and delivered this Note as of the date first stated above.

MAKER

CREATIVE REALITIES, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

BROADCAST INTERNATIONAL, Inc.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

**WIRELESS RONIN TECHNOLOGIES CANADA,
INC.**

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

EXHIBIT A

**CREATIVE REALITIES, INC.
SECURED CONVERTIBLE PROMISSORY NOTE**

CONVERSION NOTICE

To Whom It May Concern:

The undersigned holder of this Note hereby exercises the option to convert this Note, plus accrued and unpaid interest, in whole or in part as set forth below, into shares of common stock of Creative Realities, Inc., a Minnesota corporation, in accordance with the terms of the Secured Convertible Promissory Note, dated February 18, 2015, and directs that the shares issuable and deliverable upon the conversion be issued in the name of and delivered to the undersigned unless a different name has been indicated below.

Dated: _____

Amount of principal to be converted: \$ _____

Amount of accrued but unpaid interest: \$ _____

If shares are to be issued otherwise than to owner, please provide the Tax Identification Number of Transferee:

Signature of Holder

(If applicable, please print name and address of transferee (including zip code))

NEITHER THIS WARRANT NOR ANY OF THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. BY ACQUIRING THIS WARRANT, HOLDER REPRESENTS THAT HOLDER WILL NOT SELL OR OTHERWISE DISPOSE OF THIS WARRANT OR THE SECURITIES FOR WHICH IT MAY BE EXERCISED WITHOUT REGISTRATION OR COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE AFORESAID ACTS AND THE RULES AND REGULATIONS THEREUNDER.

WARRANT TO PURCHASE COMMON STOCK

Number of Shares of Common Stock: 1,515,152

Date of Issuance: February 18, 2015 (“Issuance Date”)

THIS CERTIFIES THAT, for value received, Mill City Ventures III, Ltd. (including any permitted and registered assigns, the “Holder”), is entitled to purchase from Creative Realities, Inc., a Minnesota corporation (the “Company”), up to 1,515,152 shares of Common Stock (the “Warrant Shares”) at the Exercise Price then in effect. This Warrant to Purchase Common Stock (this “Warrant”) is issued by the Company as of the date hereof pursuant to that certain Securities Purchase Agreement dated the date hereof, by and between the Company, certain subsidiaries of the Company, and Holder (the “Agreement”). Capitalized terms used in this Warrant shall have the meanings set forth in the Agreement unless otherwise defined in the body of this Warrant or in Section 13 below. For purposes of this Warrant, the term “Exercise Price” shall mean \$0.38 per share, subject to adjustment as provided herein, and the term “Exercise Period” shall mean the period commencing on the Issuance Date and ending on 5:00 p.m. New York time on the five-year anniversary thereof.

1. EXERCISE OF WARRANT.

(a) *Mechanics of Exercise*. Subject to the terms and conditions hereof, the rights represented by this Warrant may be exercised in whole or in part at any time or times during the Exercise Period by delivery of a written notice, in the form attached hereto as Exhibit A (the “Exercise Notice”), of the Holder’s election to exercise this Warrant. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. On or before the third Trading Day (the “Warrant Share Delivery Date”) following the date on which the Company shall have received the Exercise Notice, and upon receipt by the Company of (i) payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which this Warrant is being exercised (the “Aggregate Exercise Price” and together with the Exercise Notice, the “Exercise Delivery Documents”) in cash or by wire transfer of immediately available funds or (ii) notification from the Holder that this Warrant is being exercised pursuant to a Cashless Exercise, as defined below, the Company shall (or direct its transfer agent to) either (1) deliver Warrant Shares to Holder by crediting the account of Holder’s prime broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission system if the Company is then a participant in such system and either (x) there is an effective registration statement permitting the resale of the Warrant Shares by the Holder or (y) the Warrant Shares are eligible for resale without volume or manner-of-sale limitations pursuant to Rule 144 (delivery pursuant to this clause (1) being referred to as “DWAC Delivery”), or otherwise (2) issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. If the Company is able to deliver Warrant Shares through DWAC Delivery but fails to deliver such Warrant Shares by the Warrant Share Delivery Date, the Company shall pay to Holder, in cash as liquidated damages and not as a penalty, \$20 per Trading Day for each \$1,000 of Warrant Shares subject to such delay. Upon delivery of the Exercise Delivery Documents, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise pursuant to Section 1(c) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 6) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(b) *No Fractional Shares* . No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Warrant Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash equal to the product resulting from multiplying the then-current fair market value of a Warrant Share by such fraction.

(c) *Cashless Exercise* . The Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the “Net Number” of shares of Common Stock determined according to the following formula (a “Cashless Exercise”):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = the Weighted Average Price of the shares of Common Stock for the five consecutive Trading Days ending on the date immediately preceding the date of the Exercise Notice.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

(d) *Holder's Exercise Limitations* . The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, to the extent that after giving effect to issuance of Warrant Shares upon exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's "affiliates," as such term is defined in Rule 405 under the Securities Act of 1933, and any other persons acting as a group together with the Holder or any of the Holder's affiliates), would beneficially own in excess of the Beneficial Ownership Limitation, as defined below. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, non-exercised portion of this Warrant beneficially owned by the Holder or any of its affiliates and (ii) exercise or conversion of the unexercised or non-converted portion of any other convertible securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this paragraph (e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934 and the rules and regulations thereunder (the "Exchange Act"), it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this paragraph applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination.

For purposes of this paragraph, in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the SEC, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. Upon the request of a Holder, the Company shall within two Trading Days confirm to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. Upon no fewer than 61 days' prior notice to the Company, a Holder may increase or decrease the Beneficial Ownership Limitation provisions of this paragraph, provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this paragraph shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such Holder and no other Holder. The limitations contained in this paragraph shall apply to a successor Holder of this Warrant.

2. SUBDIVISION OR COMBINATION OF COMMON STOCK. If the Company at any time on or after the Issuance Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased. If the Company at any time on or after the Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased. Any adjustment under this Section 2 shall become effective at the close of business on the date the subdivision or combination becomes effective.

3. FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding, (i) the Company effects any merger of the Company with or into another entity and the Company is not the surviving entity (such surviving entity, the “Successor Entity”), (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or by another individual or entity, and approved by the Company) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares of Common Stock for other securities, cash or property and the holders of at least 50% of the Common Stock accept such offer, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 2(a) above) (in any such case, a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive the number of shares of Common Stock of the Successor Entity or of the Company and any additional consideration (the “Alternate Consideration”) receivable upon or as a result of such reorganization, reclassification, merger, consolidation or disposition of assets by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event (disregarding any limitation on exercise contained herein solely for the purpose of such determination). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any Successor Entity in such Fundamental Transaction shall issue to the Holder a new warrant consistent with the foregoing provisions and evidencing the Holder’s right to exercise such warrant into Alternate Consideration.

4. NON-CIRCUMVENTION. The Company covenants and agrees that it will not, by amendment of its articles of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant, and (iii) shall, for so long as this Warrant is outstanding, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant (without regard to any limitations on exercise).

5. WARRANT HOLDER NOT DEEMED A SHAREHOLDER. Except as otherwise specifically provided herein, this Warrant, in and of itself, shall not entitle the Holder to any voting rights or other rights as a shareholder of the Company. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company.

6. REISSUANCE. If this Warrant is lost, stolen, mutilated or destroyed, the Company will, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as this Warrant so lost, stolen, mutilated or destroyed. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall be of like tenor with this Warrant, and shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date.

7. TRANSFER.

(a) *Notice of Transfer*. The Holder, by acceptance hereof, agrees to give written notice to the Company before transferring this Warrant or transferring any Warrant Shares of such Holder's intention to do so, describing briefly the manner of any proposed transfer. Promptly upon receiving such written notice, the Company shall present copies thereof to the Company's counsel. If the proposed transfer may be effected without registration or qualification (under any federal or state securities laws), the Company, as promptly as practicable, shall notify the Holder thereof, whereupon the Holder shall be entitled to transfer this Warrant or to dispose of Warrant Shares received upon the previous exercise of this Warrant, all in accordance with the terms of the notice delivered by the Holder to the Company; provided, however, that an appropriate legend may be endorsed on this Warrant or the certificates for such Warrant Shares respecting restrictions upon transfer thereof necessary or advisable in the opinion of counsel and satisfactory to the Company to prevent further transfers which would be in violation of Section 5 of the Securities Act of 1933 and applicable state securities laws; and provided further that the prospective transferee or purchaser shall execute the Assignment of Warrant attached hereto as Exhibit B and such other documents and make such representations, warranties, and agreements as may be required solely to comply with the exemptions relied upon by the Company for the transfer or disposition of the Warrant or Warrant Shares.

(b) If the proposed transfer or disposition of this Warrant or such Warrant Shares described in the written notice given pursuant to this Section 7 may not be effected without registration or qualification of this Warrant or such Warrant Shares, the Holder will limit its activities in respect to such transfer or disposition as are permitted by law.

8. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with the notice provisions contained in the Agreement. The Company shall provide the Holder with prompt written notice (i) immediately upon any adjustment of the Exercise Price, setting forth in reasonable detail, the calculation of such adjustment and (ii) at least ten days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grants, issuances or sales of any stock or other securities directly or indirectly convertible into or exercisable or exchangeable for shares of Common Stock or other property, pro rata to the holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. AMENDMENT AND WAIVER. The terms of this Warrant may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Holder.

10. GOVERNING LAW. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the conflicts-of-law principles thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Hennepin County, Minnesota. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Hennepin County, Minnesota, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

11. DISPUTE RESOLUTION. A dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company or the Holder (as the case may be) shall submit the disputed determinations or arithmetic calculations via facsimile (a) within two business days after receipt of the applicable notice giving rise to such dispute to the Company or the Holder, as the case may be, or (b) if no notice gave rise to such dispute, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three business days of such disputed determination or arithmetic calculation being submitted to the Company or the Holder, as the case may be, then the Company shall, within two business days thereafter submit via facsimile (x) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and reasonably acceptable to the Holder or (y) the disputed arithmetic calculation of the Warrant Shares to the Company's independent public accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent manifest error.

12. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

13. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "Bloomberg" means Bloomberg Financial Markets.

(b) "Common Stock" means (i) the Company's common stock, par value \$0.01 per share, and (ii) any share capital into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(c) "Principal Market" means the primary national securities exchange on which the Common Stock is then traded.

(d) "SEC" means the U.S. Securities and Exchange Commission.

(e) "Trading Day" means (i) any day on which the Common Stock is listed or quoted and traded on its Principal Market, (ii) if the Common Stock is not then listed or quoted and traded on any national securities exchange, then a day on which trading occurs on any over-the-counter markets, or (iii) if trading does not occur on the over-the-counter markets, any business day.

(f) “Weighted Average Price” means, for any security as of any date, (i) the dollar-volume weighted-average price for such security on the Principal Market during the period beginning at 9:30 a.m., New York City time, and ending at 4:00 p.m., New York City time, as reported by Bloomberg or (ii) if the foregoing does not apply, the dollar-volume weighted-average price of such security in the principal over-the-counter market for such security during the period beginning at 9:30 a.m., New York City time, and ending at 4:00 p.m., New York City time, as reported by Bloomberg, or (iii) if no dollar-volume weighted-average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in OTC Markets. If the Weighted Average Price cannot be calculated for such security on such date on any of the foregoing bases, the Weighted Average Price of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved pursuant to Section 11 with the term “Weighted Average Price” being substituted for the term “Exercise Price.” All such determinations shall be appropriately adjusted for any share dividend, share split or other similar transaction during such period.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the Issuance Date set forth above.

CREATIVE REALITIES, INC.

/s/ John Walpuck

JOHN WALPUCK

Chief Financial Officer

EXHIBIT A

EXERCISE NOTICE

[To be executed by the registered holder to exercise this Warrant to Purchase Common Stock]

THE UNDERSIGNED holder hereby exercises the right to purchase _____ of the shares of Common Stock ("Warrant Shares") of Creative Realities, Inc., a Minnesota corporation (the "Company"), evidenced by the attached copy of the Warrant to Purchase Common Stock (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Form of Exercise Price. The Holder intends that payment of the Exercise Price shall be made as (check one):
 - a cash exercise with respect to _____ Warrant Shares; and/or
 - a "Cashless Exercise" with respect to _____ Warrant Shares.
2. Payment of Exercise Price. In the event that the holder has elected a cash exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of \$_____ to the Company in accordance with the terms of the Warrant.
3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

Date: _____

(Print Name of Registered Holder)

By: _____

Name: _____

Title: _____

EXHIBIT B

ASSIGNMENT OF WARRANT

[To be signed only upon authorized transfer of the Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the right to purchase _____ shares of common stock of Creative Realities, Inc., to which the within Warrant to Purchase Common Stock relates and appoints _____, as attorney-in-fact, to transfer said right on the books of Creative Realities, Inc. with full power of substitution and re-substitution in the premises. By accepting such transfer, the transferee has agreed to be bound in all respects by the terms and conditions of the within Warrant.

Dated: _____

(Signature) *

(Name)

(Address)

(Social Security or Tax Identification No.)

* The signature on this Assignment of Warrant must correspond to the name as written upon the face of the Warrant to Purchase Common Stock in every particular without alteration or enlargement or any change whatsoever. When signing on behalf of a corporation, partnership, trust or other entity, please indicate your position(s) and title(s) with such entity.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “Agreement”) is entered into as of February 18, 2015, by and between Creative Realities, Inc., a Minnesota corporation (the “Company”), those subsidiaries of the Company party hereto (collectively with the Company, the “Obligors” and each, an “Obligor”), and Mill City Ventures III, Ltd. (the “Secured Party”) under that certain Securities Purchase Agreement with the Company dated of even date herewith (the “Purchase Agreement”). Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the Purchase Agreement.

NOW, THEREFORE, Obligors agree with Secured Party as follows:

1. Definitions. All terms defined in the Uniform Commercial Code of the State of Minnesota (the “UCC”) and used herein, unless otherwise defined herein, shall have the same definitions herein as specified in the UCC.
 2. Security Interest. Each Obligor hereby grants Secured Party a security interest in its accounts receivable, whether now owned or hereafter acquired or arising, and all proceeds of such accounts receivable (collectively, the “Collateral”).
 3. Obligations Secured. The security interest granted in this Agreement shall secure all of the obligations of the Company under the Note offered and sold pursuant to the Purchase Agreement, and all extensions, renewals or modifications thereof.
 4. Authorization to File Financing Statements. Each Obligor hereby irrevocably authorizes Secured Party at any time and from time to time to file in such form and in such offices as the Secured Party reasonably determines appropriate to perfect the security interests granted hereunder any initial financing statements and amendments thereto (and continuations thereof) that (a) indicate the Collateral as the accounts receivable of each Obligor, and (b) contain any other information required by Article 9 of the UCC or its equivalent in any foreign jurisdiction. Each Obligor agrees to furnish any such information to Secured Party promptly upon request.
 5. Ownership. Each Obligor represents and warrants that it owns, and to the extent that the Collateral is to be acquired after the date hereof will own, the Collateral free from encumbrance. Each Obligor will defend the Collateral against all claims of all persons at any time claiming the Collateral or any interest in the Collateral, except Secured Party.
 6. Representations, Warranties and Covenants Concerning Collateral. Each Obligor represents and warrants that no financing statement covering the Collateral is on file in any public office. Each Obligor warrants that (a) its exact legal name is as stated on the signature page of this Agreement, (b) it is an organization of the type and organized in the jurisdiction set forth on the signature page of this Agreement, and (c) its place(s) of business, its chief executive office and its mailing address, are set forth on the signature page of this Agreement. Each Obligor agrees that it will not change its name, any place of business, any location of its collateral, its mailing address or its chief executive office without giving at least 30 days prior written notice to Secured Party. The Collateral is and will remain personal property. The Obligors shall not change their type of organization, jurisdiction of organization or other legal structure without the prior written consent of Secured Party. Each Obligor hereby appoints Secured Party as its attorney-in-fact to do all acts and things which Secured Party may deem necessary to perfect and to continue perfected the security interest created hereby and to protect and to preserve the Collateral.
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7. Other Actions as to any and all Collateral. Each Obligor further agrees to take any other action reasonably requested by Secured Party to ensure the attachment, perfection and priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral.

8. No Sale or Transfer. No Obligor may sell or transfer the Collateral except in the ordinary course of business prior to the occurrence of a Default. A sale or transfer in the ordinary course of business does not include a sale or transfer in partial or total satisfaction of a debt, or in bulk.

9. Inspection and Taxes. Each Obligor will at all reasonable times during normal business hours allow Secured Party and its agents, employees, attorneys or accountants to examine, inspect and make extracts from such Obligor's books and other records. Obligors will pay when due all taxes and assessments on the Collateral.

10. Costs. The Company agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC or similar laws, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Party. If an Obligor fails to perform any of its duties hereunder, Secured Party may, but shall not be required to, do so on any Obligor's behalf. If an Obligor defaults under this Security Agreement, each Obligor will pay the costs, including the reasonable actual attorneys' fees, of Secured Party incurred in enforcing this Agreement. Any amounts expended by Secured Party in performing an Obligor's duties or enforcing this Security Agreement shall be payable by the Obligors to Secured Party on demand and shall bear interest at the rate applicable from time to time under the Note held by Secured Party. Any liability arising under this Section 10 will be joint and several among the Obligors.

11. Default. Obligors will each be in default under this Security Agreement upon the happening of any of the following events (each a "Default"): (a) an Obligor's failure to perform when due any of the obligations hereunder required to be performed by it (after giving effect to any applicable cure period); (b) the occurrence of any "Event of Default" as defined in the Note; or (c) any representation or warranty made by an Obligor herein is false or misleading in any material respect.

12. Remedies. This Agreement and Secured Party's rights under this Agreement or under applicable law may be enforced by Secured Party, at its discretion, against any one or more of the parties referred to above which are encompassed within the term Obligor, without any need to bring any enforcement action against the other parties who are encompassed within the term Obligor. At any time during the continuance of a Default, Secured Party may declare any or all monetary obligations under the Note due and payable, and shall have the remedies of Secured Party under the Uniform Commercial Code. Secured Party may take possession of the Collateral with or without judicial process. Secured Party may require any Obligor to assemble the Collateral and make it available to Secured Party. Secured Party will give the Obligors reasonable notice of the time that any intended sale or disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if the notice is mailed, postage prepaid, to any Obligor at least 20 calendar days before the time of the sale or disposition.

13. No Waivers. No waiver by Secured Party of any Default shall operate as a waiver of any other Default or of the same Default on a future occasion. The acceptance of this Security Agreement will not waive or impair any other security that Secured Party may have or hereafter acquire for the obligations secured hereunder, nor will the taking of any additional security waive or impair the rights granted in this Security Agreement. Secured Party may resort to any security it may have in any order it deems proper, and may apply any payments made on any part of the obligations secured hereunder to any part of such obligations, despite any directions of an Obligor to the contrary. No delay or omission of the Secured Party to exercise, and no course of dealing with respect to, any right, power or remedy accruing upon the occurrence and during the continuance of any Default as aforesaid shall impair any such right, power or remedy or shall be construed to be a waiver of any such Default or an acquiescence therein.

14. Governing Law; Binding Effect. This Security Agreement shall be governed by the laws of the State of New York without regard to its conflicts-of-law principles, and shall inure to the benefit of, and bind, Secured Party and each Obligor and their respective successors and assigns. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Security Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Hennepin County, Minnesota. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Hennepin County, Minnesota, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Security Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. No provision of this Security Agreement shall be amended, modified or waived other than by a written instrument that refers to this Security Agreement and is signed on behalf of Secured Party.

15. Termination. This Agreement shall terminate upon the indefeasible satisfaction and payment of all obligations owed to Secured Party by each Obligor, but shall automatically be reinstated with no further action by any party hereto, in the event any such payment is or is ordered to be returned by Secured Party for any reason whatsoever, including without limitation the insolvency, bankruptcy or reorganization of any Obligor, and each Obligor shall sign and deliver to the Secured Party all documents, and shall do such other acts and things, as may be necessary to reinstate and perfect the Secured Party's security interest.

16. Consent to Jurisdiction. AT THE OPTION OF SECURED PARTY, THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL OR STATE COURT SITTING IN NEW YORK, NEW YORK, OR IN ANY OTHER JURISDICTION WHERE THE COLLATERAL IS LOCATED; AND EACH PARTY CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT ANY PARTY COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, SECURED PARTY AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

* * * * *

IN WITNESS WHEREOF, the undersigned parties have set their hands to this Security Agreement to be effective as of the date first set forth above.

CREATIVE REALITIES, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

BROADCAST INTERNATIONAL, INC.

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

CREATIVE REALITIES, LLC

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

**WIRELESS RONIN TECHNOLOGIES
CANADA, INC.**

By: /s/ John Walpuck
John Walpuck
Chief Financial Officer

OBLIGOR INFORMATION:

Obligor	Jurisdiction of Organization; Type of Organization	Address
Creative Realities, Inc.	Minnesota (corporation)	55 Broadway, 9th Floor New York, New York 10006
Broadcast International, Inc.	Utah (corporation)	6952 S. High Tech Drive Suite C, Salt Lake City, Utah 84047
Creative Realities, LLC	Delaware (limited liability company)	55 Broadway, 9th Floor New York, New York 10006
Wireless Ronin Technologies Canada, Inc.	Canada (corporation)	4510 Rhodes Drive, Suite 800, Windsor, Ontario