

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

MusclePharm Corp

Form: 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

August 21, 2020
Date of report (date of earliest event reported)

MusclePharm Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdictions of incorporation or
organization)

000-53166
(Commission File Number)

77-0664193
(I.R.S. Employer Identification No.)

4400 Vanowen Street, Burbank, CA 91505
(Address of principal executive offices) (Zip Code)

(800) 292-3909
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants 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))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| N/A | | |

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

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

On August 21, 2020, MusclePharm Corporation (the "Company") issued to Ryan Drexler, the Company's Chief Executive Officer, President and Chairman of the Board of Directors (the "Holder"), an amended and restated convertible secured promissory note (the "Refinanced Convertible Note") in the original principal amount of \$2,735,199, which amends and restates (i) a secured revolving promissory note dated as of October 4, 2019 (the "Revolver Note"), (ii) a collateral receipt and security agreement dated as of December 27, 2019 (the "Bond") and (iii) a convertible secured promissory note dated as of November 8, 2017 (the "Convertible Note", and together with the Revolver Note and the Bond, collectively, the "Prior Notes").

The Refinanced Convertible Note bears interest at the rate of 12% per annum. Interest accrues and is to be paid in kind by adding such interest to the unpaid principal amount of the Refinanced Convertible Note, compounded annually. Both the principal and the interest under the Refinanced Convertible Note are due on November 1, 2020 (the "Maturity Date"), unless converted earlier.

On the Maturity Date, the Holder may, upon written notice to the Company, convert the outstanding principal and accrued interest into shares of the Company's common stock, \$0.001 par value per share (the "Common Stock"), at a conversion price equal to the greater of (i) the closing price per share of the Common Stock on the last business date immediately preceding the Maturity Date and (ii) seventeen cents (\$0.17), in each case rounded down to the nearest whole share. The Company may prepay the Refinanced Convertible Note by giving the Holder between 15 and 60 days' notice depending upon the specific circumstances, subject to the Holder's conversion right.

The Refinanced Convertible Note contains customary events of default, including, among others, the failure by the Company to make a payment of principal or interest when due. Following an event of default, at the option of the Holder and upon written notice to the Company, or automatically under certain

circumstances, all outstanding principal and accrued interest will become due and payable. The Refinanced Convertible Note also contains customary restrictions on the ability of the Company to, among other things, grant liens or incur indebtedness other than certain obligations incurred in the ordinary course of business. The restrictions are also subject to certain additional qualifications and carveouts, as set forth in the Refinanced Convertible Note. The Refinanced Convertible Note is subordinated to certain other indebtedness of the Company.

In connection with the issuance of the Refinanced Convertible Note, the Company and Mr. Drexler entered into a Fourth Amended and Restated Security Agreement (the "Amended Security Agreement") to amend and restate the Third Amended and Restated Security Agreement, pursuant to which the Prior Notes were secured by all of the assets and properties of the Company and its subsidiaries whether tangible or intangible, to reaffirm Mr. Drexler's continuing first priority lien (except as to certain excluded property) granted therein.

A copy of each of the Refinanced Convertible Note and the Amended Security Agreement is attached to this Current Report on Form 8-K as Exhibit 10.1 and Exhibit 10.2, respectively, each of which is incorporated herein by reference as though fully set forth herein. The foregoing summary descriptions of the Refinanced Convertible Note and the Amended Security Agreement are not intended to be complete, and are qualified in their entirety by the complete text of the Refinanced Convertible Note and the Amended Security Agreement.

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

The information set forth in Item 1.01 is incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 is incorporated by reference herein.

The Company offered and sold the Refinanced Convertible Note to the Holder in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). Neither the Refinanced Convertible Note nor the underlying shares of common stock issuable thereunder have been registered under the Securities Act or may be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|----------------------|---|
| 10.1 | Amended and Restated Convertible Secured Promissory Note, dated August 21, 2020, between MusclePharm Corporation and Ryan Drexler |
| 10.2 | Fourth Amended and Restated Security Agreement, dated August 21, 2020, between MusclePharm Corporation and Ryan Drexler |

SIGNATURES

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.

MUSCLEPHARM CORPORATION

By: s/ Ryan Drexler

Name: Ryan Drexler

Title: Chief Executive Officer

Date: August 27, 2020

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS NOTE, THE REPAYMENT OF ALL INDEBTEDNESS EVIDENCED HEREBY AND THE EXERCISE OF ANY RIGHT OR REMEDY HEREUNDER BY THE HOLDER HEREOF ARE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT, DATED ON OR ABOUT SEPTEMBER 30, 2017, BY AND BETWEEN CROSSROADS FINANCIAL GROUP, LLC AND THE INITIAL HOLDER HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF SUCH SUBORDINATION AGREEMENT AND THIS NOTE, THE TERMS OF THE SUBORDINATION AGREEMENT SHALL GOVERN AND CONTROL.

AMENDED AND RESTATED CONVERTIBLE SECURED PROMISSORY NOTE

\$2,735,199
CPN-3

Effective as of July 1, 2020 (the "Effective Date")
Los Angeles, California

WHEREAS, **MusclePharm Corporation**, a Nevada corporation (the "**Company**"), previously (i) issued to **Ryan Drexler** or his assigns (the "**Holder**") a secured revolving promissory note dated as of October 4, 2019, \$1,348,216 of which is outstanding as of the Effective Date (the "**Revolver Note**"), (ii) entered into a collateral receipt and security agreement with Holder dated as of December 27, 2019, \$252,500 of which is outstanding as of the Effective Date (the "**Bond**") and (iii) issued to Holder a convertible secured promissory note dated as of November 8, 2017, \$1,134,483 of which is outstanding as of the Effective Date (the "**Convertible Note**"; together with the Revolver Note and the Bond, the "**Prior Notes**"); and

WHEREAS, certain of the Prior Notes are currently secured by a lien on and security interest in all of the assets and properties of the Company, as described in the Third Amended and Restated Security Agreement dated as of November 3, 2017, by and between the Company and the Holder (the "**Prior Security Agreement**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Holder hereby amend and restate the terms of, and supersede in their entirety, the Prior Notes as follows:

For value received, the Company promises to pay to the Holder the principal sum of **Two Million, Seven Hundred Thirty-Five Thousand, One Hundred Ninety-Nine Dollars** (\$2,735,199), plus interest on the outstanding principal amount at the rate of twelve percent (12%) per annum, in each case in accordance with the terms and subject to adjustment as set forth in this amended and restated note (this "**Note**").

This Note is secured by a lien on and security interest in all of the assets and properties of the Company, as described in the Fourth Amended and Restated Security Agreement of even date herewith by and between the Company and the Holder (the "**Security Agreement**").

This Note is subject to the following terms and conditions:

1. Maturity.

(a) **Repayment.** Unless earlier converted or repaid (as applicable) as provided in Sections 1(d), 2 or 3, all outstanding principal (including any PIK Interest) and any accrued but unpaid interest under this Note (whether or not that interest has been capitalized) (the "**Conversion Amount**"), shall be due and payable on November 1, 2020 (as such date may be accelerated solely in accordance with the terms hereof, the "**Maturity Date**").

(b) **Interest.**

(i) Interest on this Note shall commence on the Effective Date and shall continue and accrue daily at the applicable rate on the outstanding principal amount until paid in full or converted in accordance with this Note.

(ii) Interest shall be computed on the basis of a year of 365 days for the actual number of days elapsed.

(iii) Interest shall accrue on this Note and be paid in kind by adding such interest then due to the unpaid principal amount of this Note, compounded annually, and such interest shall be referred to herein as "**PIK Interest**."

(c) **Events of Default.**

(i) Notwithstanding Section 1(a) above, at the option and upon the declaration of the Holder and upon written notice to the Company, the entire Conversion Amount shall become due and payable upon an Event of Default. The occurrence of the following shall constitute an "**Event of Default**":

(1) the Company fails to pay any and all unpaid principal, accrued and unpaid interest and all other amounts owing under the Note and the Security Agreement when due and payable pursuant to the terms of the Note, **provided, however**, that an Event of Default shall not be deemed to have occurred on account of a failure to pay due solely to an administrative or operational error of any depository institution that is crediting by ACH or wiring such payment if the Company had the funds to make the payment when due and payment is received by the Holder within two (2) business days following the Company's knowledge of such failure to pay;

(2) the Company or any of its subsidiaries files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any general assignment for the benefit of creditors;

(3) an involuntary petition is filed against the Company or any of its subsidiaries (unless such petition is dismissed or discharged within forty-five (45) days) under any bankruptcy statute or similar law now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company; or

(4) the Company breaches any other material term of this Note or the Security Agreement (unless, in the case of any curable material breach, such material breach is cured within thirty (30) days of the earlier of the date on which (x) the Holder has given notice of such breach to the Company and (y) the Company has actual knowledge of such breach);

(5) the Company amends or modifies the terms of any existing indebtedness in a manner that increases the principal amount thereof or the interest rate applicable thereto, accelerates the maturity of the obligations thereunder or otherwise adversely affects the Holder; **provided, that**, the foregoing shall not constitute an Event of Default if undertaken, caused, approved or voted in favor of by the Holder in his capacity as an employee, officer or director of the Company;

(6) a final judgment or judgments for the payment of money aggregating in excess of \$100,000 that are not covered by insurance or an indemnity from a creditworthy party are rendered against the Company and/or any of its subsidiaries and which judgments are not, within thirty (30) days after the entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay;

(7) the Company fails to pay, when due, giving effect to any applicable grace period, any payment with respect to any funded indebtedness in excess of \$100,000 due to any third party (other than, with respect to unsecured funded indebtedness only, payments contested by the Company in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with U.S. generally accepted accounting principles) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of \$100,000, other than unsecured trade obligations in the ordinary course of business, which breach or violation permits the other party thereto to declare a default or otherwise accelerate amounts due thereunder; **provided, that**, the foregoing shall not constitute an Event of Default if undertaken, caused, approved or voted in favor of by the Holder in his capacity as an employee, officer or director of the Company; or

(8) there exists any circumstances or events that would, with or without the passage of time or the giving of notice, result in a default or event of default under any agreement binding the Company or any subsidiary, which default or event of default would or is likely to have a material adverse effect on the business, assets, operations or financial condition of the Company and its subsidiaries, taken as a whole; **provided, that**, the foregoing shall not constitute an Event of Default if such circumstances or events are undertaken, caused, approved or voted in favor of by the Holder in his capacity as an employee, officer or director of the Company; **provided, however**, that all obligations under this Note, including without limitation all principal (including any PIK Interest) and all accrued and unpaid interest, shall be accelerated, and shall be immediately and automatically due and payable without any notice to the Company or other action, upon the occurrence of any Event of Default described in clause (2) or (3) of this Section 1(c)(i).

(d) **Conversion.** The Holder may, on the Maturity Date, in the sole discretion of the Holder, upon written notice to the Company, elect to convert all or a portion of the Conversion Amount into shares of the Company's Common Stock, \$0.001 par value per share (the "**Common Stock**"), at a price per share equal to the greater of (i) the closing price per share of the Common Stock on the last business day immediately preceding the Maturity Date and (ii) seventeen cents (\$0.17), in each case rounded down to the nearest whole share.

2. Mechanics and Effect of Conversion.

(a) **Effectiveness of Conversion.** Upon conversion of this Note, the Company will be forever released from all of its obligations and liabilities under this Note with respect to that portion of the Conversion Amount being converted, including without limitation the obligation to repay such portion of the principal amount and accrued and unpaid interest. Principal and accrued and unpaid interest on this Note will be converted proportionally unless otherwise specified by the Holder. Upon conversion of this Note, the Company shall take all such actions as are necessary in order to ensure that the Common Stock issuable with respect to such conversion shall be validly issued, fully paid and nonassessable.

(b) **Issuance of Certificates.** Upon conversion of this Note, the Holder shall surrender this Note, duly endorsed, at the principal offices of the Company or any transfer agent of the Company. At its expense, the Company shall, as soon as practicable thereafter, issue and deliver to such Holder, at such principal office, a certificate or certificates for the number of shares of Common Stock to which such Holder is entitled upon such conversion, together with any other securities and property to which the Holder is entitled upon such conversion under the terms of this Note, including a check payable to the Holder for any cash amounts payable as described herein. Upon any partial conversion of this Note, a new Note containing the same date and provisions of this Note shall, at the request of the Holder, be issued by the Company to the Holder for the principal balance of this Note and interest which shall not have been converted or paid.

(c) **Fractional Shares.** No fractional shares of the Company's Common Stock will be issued upon conversion of this Note. If any fractional share of Common Stock would, except for the provisions hereof, be deliverable upon conversion of this Note, the Company, in lieu of delivering such fractional share, shall pay an amount in cash equal to the value of such fractional share, as determined by the per share conversion price used to effect such conversion.

3. Payment; Prepayment. All payments shall be made in lawful money of the United States of America at such place as the Holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to any fees and expenses due and payable hereunder, then to accrued and unpaid interest, and then the remainder shall be applied to principal. The Company may prepay this Note in whole or in part at any time following at least fifteen (15) and no more than sixty (60) days' advance written notice to the Holder, **provided** that the Holder shall retain all rights of conversion until the date of repayment, notwithstanding the pendency of any prepayment notice.

4. Adjustment Provisions. If after the Effective Date the Company shall make or issue, or shall fix a record date for the determination of eligible holders of its capital stock entitled to receive, a dividend or other distribution payable with respect to the Common Stock that is payable in securities of the Company, assets (including cash), or rights or warrants to purchase shares of Common Stock or securities convertible into shares of Common Stock (each, a "**Dividend Event**"), and such dividend or other distribution is actually made, then, and in each such case, the Holder, upon conversion of all or a portion of the Conversion Amount into shares of Common Stock at any time after such Dividend Event, shall receive, in addition to the Common Stock issuable upon such conversion of the Note, the securities or other assets, rights or warrants that would have been issuable to the Holder had the Holder, immediately prior to such Dividend Event, converted such Conversion Amount into Common Stock.

5. Covenants.

(a) **Restrictions on Additional Indebtedness and Liens and Subordination .** The Company may not incur or suffer to exist any Indebtedness (as defined below) other than Permitted Indebtedness (as defined below) or any Lien (as defined below) other than Permitted Liens (as defined below).

(i) "**Indebtedness**" shall mean any and all indebtedness for borrowed money; all obligations in respect of any deferred purchase price; all obligations in respect of capital leases; all reimbursement obligations in respect of letters of credit, surety bonds and similar instruments; all obligations evidenced by notes, bonds, loan agreements, debentures and similar instruments; and all guarantee obligations and contingent obligations in respect of any of the foregoing.

(ii) "**Permitted Indebtedness**" shall mean (a) Indebtedness evidenced by this Note; (b) Indebtedness in respect of taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; **provided**, that Company maintains adequate reserves therefor; (c) Indebtedness existing as of the date hereof and set forth on the schedule of Permitted Indebtedness attached hereto, or pursuant to an instrument set forth on such schedule; (d) Indebtedness to trade creditors (including suppliers) incurred in the ordinary course of business, including Indebtedness incurred in the ordinary course of business with corporate credit cards; (e) extensions, refinancings, repayment and renewals of the obligations under this Note and under any Permitted Indebtedness described in clause (d) above, **provided** that the principal amount is not increased or the terms modified to impose materially more burdensome terms upon the Company, and (f) Subordinated Indebtedness incurred after the date of this Note and approved by a majority of the independent directors of the Board of Directors of the Company (the "**Board**").

(iii) “**Subordinated Indebtedness**” means secured and/or unsecured Indebtedness expressly subordinated to the obligations of the Company to the Holder hereunder and under the Security Agreement, including in payment and lien priority.

(iv) “**Lien**” shall mean any lien, claim, encumbrance or similar interest in or on any asset, including without limitation any security interest or mortgage.

(v) “**Permitted Lien**” shall mean (a) Liens securing Indebtedness evidenced by this Note; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings, **provided** that the Company maintains adequate reserves therefor; (c) claims of materialmen, mechanics, carriers, warehousemen, processors or landlords arising out of operation of law so long as the obligations secured thereby (i) are not past due or (ii) are being properly contested and for which the Company has established adequate reserves; (d) Liens consisting of deposits or pledges made in the ordinary course of business in connection with workers’ compensation, unemployment insurance, social security and similar laws; (e) Liens on equipment (including capital leases) to secure purchase money Indebtedness existing as of the date hereof, or any permitted refinancing thereof, so long as such security interests do not apply to any property of the Company other than the equipment so acquired, and the Indebtedness secured thereby does not exceed the cost of such equipment, and **provided** that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed, or refinanced (as may have been reduced by any payment thereon) does not increase; (f) Liens on accounts, inventory, machinery, equipment, instruments, documents, chattel paper, general intangibles and other assets to secure purchase money Indebtedness under agreements set forth on the schedule of Permitted Indebtedness attached hereto and (g) Liens to secure the obligations under agreements set forth on the schedule of Permitted Liens attached hereto.

6. Transfer; Successors and Assigns. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the Company and the Holder. Notwithstanding the foregoing, the Holder may not assign, pledge or otherwise transfer this Note without the prior written consent of the Company. Subject to the preceding sentence, this Note may be transferred only upon surrender of the original Note for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, a new note for the same principal amount and interest will be issued to, and registered in the name of, the transferee. Interest and principal are payable only to the registered holder of this Note.

7. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of California (without giving effect to any conflict of laws principles that would require application of the laws of another jurisdiction).

8. Jurisdiction. Each of the Company and the Holder irrevocably submits to the jurisdiction of the courts of the State of California and of the United States sitting in the State of California, and of the courts of its own corporate or individual domicile with respect to actions or proceedings brought against it as a defendant, for purposes of all proceedings. Each of the Company and the Holder irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any proceeding and any claim that any proceeding has been brought in an inconvenient forum. Any process or summons for purposes of any proceeding may be served on the Company or the Holder, as applicable, by mailing a copy thereof by registered mail, or a form of mail substantially equivalent thereto, addressed to it at its address as provided for notices under this Note.

9. Waiver of Jury Trial. *Each of the Company and the Holder hereby irrevocably waives any and all right to trial by jury in any proceeding.*

10. Notices. Any notice required or permitted by this Note shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party’s address or fax number as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company’s books and records; provided, that, any notice to the Company by the Holder also shall be provided to the independent directors of the Board.

11. Amendments and Waivers. Any term of this Note may be amended only with the written consent of the Company and the Holder. Any amendment or waiver effected in accordance herewith shall be binding upon the Company, the Holder and each transferee of this Note.

12. **Entire Agreement.** This Note, together with the Security Agreement, constitutes the entire agreement between the Company and the Holder pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the Company and the Holder are expressly canceled.

13. **Counterparts.** This Note may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will constitute a single agreement.

14. **Action to Collect on Note.** The Company promises to pay all costs and expenses, including reasonable attorney's fees, incurred in connection with the collection or enforcement of this Note or any obligation hereunder, including without limitation during or in the context of any bankruptcy, receivership, trusteeship, reorganization or insolvency proceeding or other proceeding under any other law for the relief of, or relating to, debtors, now or hereafter in effect, and all such amounts shall be payable on demand (or, if the Holder is prevented by applicable law from making demand, as and when incurred by the Holder) and, if not paid when due, shall be capitalized and become part of the principal amount of this Note, and interest shall accrue thereon as set forth for other principal amounts under this Note.

15. **Loss of Note.** Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and indemnity satisfactory to the Company (in case of loss, theft or destruction) or surrender and cancellation of such Note (in the case of mutilation), the Company will make and deliver in lieu of such Note a new Note of like tenor.

16. **Interest Rate Limitation.** Notwithstanding anything to the contrary contained herein, the interest paid or agreed to be paid under this Note shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "**Maximum Rate**"). If the Holder shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal amount remaining owed under this Note or, if it exceeds such unpaid principal amount, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Holder exceeds the Maximum Rate, the Holder may, to the extent permitted by applicable law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of this Note.

17. **Indemnification.** The Company shall, to the fullest extent permitted by law, indemnify (but only to the extent of and out of Company assets) the Holder against all reasonable expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Holder in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, before or by any court or any administrative or legislative body or authority, in which the Holder is involved, as a party or otherwise, or with which the Holder may be threatened, arising in connection with this Note or the Security Agreement (each, an "**Action**"), except to the extent the same has been finally adjudicated to constitute fraud, gross negligence or willful misconduct of the Holder or a breach by the Holder of this Note or the Security Agreement. Promptly after receipt by the Holder of notice of the commencement or threatened commencement against it of any third party Action, the Holder will notify the Company. The Company will be entitled to assume the defense of the Action unless the Holder shall have reasonably concluded that a conflict may exist between the Company and the Holder in conducting the defense of the Action. If the Company assumes the defense of any Action in accordance with the provisions of this Section, it will not be liable to the Holder for any legal or other expenses subsequently separately incurred by the Holder in connection with the defense of such Action. The Company shall not be liable for any settlement of a third-party Action effected without its written consent, which consent may not be unreasonably withheld.

18. **Severability.** In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of this Note.

19. **Reaffirmation; Amendment and Restatement.** The Company has created a lien on and security interest in all of the assets and properties of the Company in favor of the Holder to secure its obligations hereunder, pursuant to the Security Agreement. The Company hereby acknowledges that it has reviewed the terms and provisions of this Note and consents to the amendment and restatement of the Prior Notes effected pursuant to this Note. The Company hereby confirms that the Security Agreement will continue to secure, to the fullest extent possible in accordance with the Security Agreement, the payment and performance of the obligations set forth herein, as applicable now or hereafter existing, and that this Note does not constitute a novation of the obligations and liabilities existing under the Prior Notes or the Prior Security Agreement. The Company and the Holder hereby agree that, on the Effective Date, the terms and provisions of the Prior Notes shall be and hereby are amended and restated in their entirety by the terms, conditions and provisions of this Note, and the terms and provisions of the Prior Notes shall be superseded by this Note.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Convertible Secured Promissory Note as of the date indicated herein.

MusclePharm Corporation

By: /s/ Allen Sciarillo

Name: Allen Sciarillo

Title: Chief Financial Officer

Acknowledged and Agreed:

Ryan Drexler

/s/ Ryan Drexler _____

Execution Date: August 21, 2020 _____

Schedule of Permitted Indebtedness

Purchase and Sale Agreement, dated as of January 11, 2016, between the Company and Prestige Capital Corporation, as amended or modified through the date hereof, and as hereafter amended or modified with the consent of the Holder in his capacity as such or as a director or officer of the Company, providing for aggregate borrowings up to a maximum principal amount of \$12,000,000 (as amended).

Loan and Security Agreement, dated as of October 6, 2017, among the Company, Canada MusclePharm Enterprises Corp. and Crossroads Financial Group, LLC, as amended or modified through the date hereof, and as hereafter amended or modified with the consent of the Holder in his capacity as such or as a director or officer of the Company, providing for aggregate borrowings up to a maximum principal amount of \$4,000,000 (as amended).

Capital leases outstanding at December 31, 2019 described in Note 6 to the Consolidated Financial Statements contained in the Company's 10-K for the year ended December 31, 2019.

Schedule of Permitted Liens

Loan and Security Agreement, dated as of October 6, 2017, among the Company, Canada MusclePharm Enterprises Corp. and Crossroads Financial Group, LLC, as amended or modified through the date hereof, and as hereafter amended or modified with the consent of the Holder in his capacity as such or as a director or officer of the Company, providing for aggregate borrowings up to a maximum principal amount of \$4,000,000 (as amended).

FOURTH AMENDED AND RESTATED SECURITY AGREEMENT

This **Fourth Amended and Restated Security Agreement** (this "**Agreement**"), dated as of August 21, 2020, is entered into between **Ryan Drexler**, an individual ("**Grantee**"), and **MusclePharm Corporation**, a Nevada corporation, as grantor ("**Grantor**").

Background

WHEREAS, Grantor and Grantee previously entered into (i) a secured revolving promissory note dated as of October 4, 2019, \$1,348,216 of which is outstanding as of the date hereof (the "**Revolver Note**"), (ii) a collateral receipt and security agreement dated as of December 27, 2019, \$252,500 of which is outstanding as of the date hereof (the "**Bond**"), and (iii) a convertible secured promissory note dated as of November 8, 2017, \$1,134,483 of which is outstanding as of the date hereof (the "**Convertible Note**", together with the Revolver Note and the Bond, the "**Prior Notes**");

WHEREAS, as a condition precedent to the advancement of funds to Grantor under certain of the Prior Notes, the parties entered into the Third Amended and Restated Security Agreement, dated as of November 3, 2017 (the "**Third Amended and Restated Security Agreement**"), to grant a security interest in respect of the obligations under certain of the Prior Notes, as applicable;

WHEREAS, Grantor and Grantee have agreed to amend and restate the Prior Notes to make certain amendments as set forth in that certain Amended and Restated Convertible Secured Promissory Note, issued on the date hereof by Grantor to Grantee (the "**Note**"); and

WHEREAS, as a condition precedent to such restructuring of the Prior Notes, the parties now desire to amend and restate the Third Amended and Restated Security Agreement to reaffirm Grantee's continuing first priority lien and make certain other amendments as set forth herein.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby amend and restate the terms of, and supersede in their entirety, the Third Amended and Restated Security Agreement, and Grantor hereby agrees, for the benefit of Grantee, as follows:

ARTICLE I

Certain Definitions

Section 1.01. Definitions.

The terms "**Account**," "**Equipment**," "**Inventory**," and "**Proceeds**" shall have the meanings ascribed to such terms in the UCC.

As used herein:

"**Collateral**" shall have the meaning set forth in Section 2.01.

"Dispute" means any pending, decided or settled opposition, injunction, action, claim, counterclaim, lawsuit, proceeding, hearing, investigation, complaint, arbitration, mediation, demand, decree or formal enquiry, or any other dispute, disagreement, or claim of any kind.

"Excluded Property" means (i) any permit, license, contract or lease to the extent that (and in each case only for so long as) such grant of a security interest therein or assignment thereof is prohibited by any applicable laws or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to a right on the part of the parties thereto other than Grantor to terminate, such permit, license, contract or lease, except to the extent that such laws or the term in such permit, license, contract or lease providing for such prohibition, breach, default or right of termination are ineffective or rendered unenforceable under applicable laws (including the UCC), and (ii) any property owned by Grantor on the date hereof or hereafter acquired that is subject to a lien permitted to be incurred pursuant to clause (e) of the definition of Permitted Liens contained in the Note.

"Governmental Authority" means the government of the United States or any other country, any state or other political subdivision thereof, any supranational or multinational authority, and any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any of the foregoing.

"Intellectual Property" means (a) any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held (collectively, the **"Copyrights"**); (b) any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held; (c) any and all design rights that may be available, now or hereafter existing, created, acquired or held; (d) all patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same (collectively, the **"Patents"**); (e) any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill connected with and symbolized by such trademarks, other than any intent-to-use United States trademark applications for which an amendment to allege use or statement of use has not been filed under 15 U.S.C. § 1051I or 15 U.S.C. § 1051(d), respectively, or if filed, has not been deemed in conformance with 15 U.S.C. § 1051(a) or examined and accepted, respectively, by the United States Patent and Trademark Office, provided that, upon such filing and acceptance, such intent-to-use applications shall be included in the definition of Collateral (collectively, the **"Trademarks"**); (f) all mask work registrations or applications therefor or similar rights, now owned or hereafter acquired (collectively, the **"Mask Works"**); (g) any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above; (h) all licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights; (i) all amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and (j) all proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

"Secured Obligations" means all obligations of Grantor under or in respect of the Note and this Agreement.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York, as amended from time to time, and any successor statute; provided that if by reason of mandatory provision of law, the perfection or the effect of perfection or non-perfection of the security interest in the Collateral is governed by the Uniform Commercial Code of another jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provision hereof relating to such perfection or effect of perfection or non-perfection.

Section 1.02. Note Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided in the Note.

Section 1.03. UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Agreement, including its preamble and recitals, with such meanings; provided, however, that the term "instrument" shall be such term as defined in Article 9 of the UCC rather than Article 3 of the UCC.

Section 1.04. Interpretation; Headings. Each term used in any exhibit to this Agreement and defined in this Agreement but not defined therein shall have the meaning set forth in this Agreement. Unless the context otherwise requires, (i) "including" means "including, without limitation" and (ii) words in the singular include the plural and words in the plural include the singular. A reference to any party to this Agreement, the Note, or any other agreement or document shall include such party's successors and permitted assigns. A reference to any agreement or order shall include any amendment of such agreement or order from time to time in accordance with the terms hereof and thereof. A reference to any legislation, to any provision of any legislation or to any regulation issued thereunder shall include any amendment thereto, any modification or re-enactment thereof, any legislative provision or regulation substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto. The headings contained in this Agreement are for convenience and reference only and do not form a part of this Agreement. Section, article and exhibit references in this Agreement refer to sections or articles of, or exhibits to, this Agreement unless otherwise specified.

ARTICLE II
Security Interest

Section 2.01. Grant of Security Interest.

(a) As collateral security for the Secured Obligations, Grantor hereby grants to Grantee a continuing Lien on and a continuing first priority security interest in and lien and mortgage on all of Grantor's and Grantor's subsidiaries' right, title, and interest in each and all of its assets and properties, wherever the same may be now or hereafter located, whether now owned by or owing to, or hereafter existing or hereafter acquired by or arising in favor of, Grantor or its subsidiaries (including under any trade name or derivations thereof), whether tangible or intangible, and all products and Proceeds thereof (together, the "**Collateral**"), including all of the following and all products and Proceeds thereof:

(i) all Intellectual Property (the "**Intellectual Property Collateral**");

(ii) all goods and Equipment, including all laboratory equipment, computer equipment, office equipment, machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located;

(iii) all Inventory, including all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Grantor's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Grantor's books relating to any of the foregoing;

(iv) all Accounts (including healthcare receivables), all contract rights or rights to payment of money, leases, license agreements, franchise agreements, commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash and cash equivalents, insurance policy claims and proceeds, all general intangibles (including payment intangibles), all letters of credit, certificates of deposit, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, material intercompany notes, and all other investment property, supporting obligations, and financial assets, in each case, unless otherwise defined in this Agreement, as defined in the UCC;

(v) all books, records, databases, customer lists, credit files, computer files, programs, printouts and other computer materials and records, and all other information relating to the foregoing and any general intangibles at any time evidencing or relating to any of the foregoing; and

(vi) any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

(b) With respect to the Intellectual Property Collateral, Grantor hereby grants to Grantee all of Grantor's and Grantor's subsidiaries' right, title and interest in, to and under the Intellectual Property Collateral, including, without limitation, the following:

(i) Any and all claims for damages by way of past, present and future infringements of any of the rights in the Intellectual Property Collateral, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the rights in the Intellectual Property Collateral;

(ii) All licenses or other rights to use any of the Intellectual Property Collateral and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(iii) All amendments, extensions, renewals and extensions of any of the Intellectual Property Collateral; and

(iv) All proceeds and products of the Intellectual Property Collateral, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding the foregoing, in no event shall the Collateral include any Excluded Property; provided that, notwithstanding the foregoing, a security interest shall be, and is hereby, granted in (A) any property immediately upon such property ceasing to be Excluded Property and (B) any and all proceeds, products, substitutions and replacements of Excluded Property to the extent such proceeds, products, substitutions and replacements do not themselves constitute Excluded Property.

(c) Grantor shall, and shall cause its subsidiaries to, take such commercially reasonable steps as Grantee reasonably requests in writing to obtain the consent of, or waiver by, any person whose consent or waiver is necessary, by contract or law, for the grant of the security interest in the Collateral or any portion thereof, including any license or other contract, whether now existing or entered into in the future.

Section 2.02. Continuing Security Interest.

(a) This Agreement creates a continuing security interest in the Collateral and shall: (i) remain in full force and effect until the date on which the Secured Obligations are paid and performed in full; (ii) be binding upon Grantor and its successors, transferees and assigns; and (iii) inure, together with the rights and remedies of Grantee, to the benefit of Grantee and its successors and assigns.

(b) Grantee shall have all rights to perfect, continue, maintain, and protect Grantee's interest and rights under the Note.

(c) Upon the date on which the Secured Obligations are paid and performed in full, the security interest granted herein shall automatically terminate and all rights to the Collateral, in each case to the extent the Collateral has not been previously disposed of or dealt with in accordance with this Agreement or otherwise, shall revert to Grantor. Upon any such termination, and from time to time following such termination, Grantee will, at Grantor's sole expense, promptly execute and deliver to Grantor such instruments and documents necessary and as Grantor shall reasonably request to evidence such termination.

Section 2.03. Grantor Remains Liable. Anything herein to the contrary notwithstanding: (a) Grantor shall remain liable under the contracts included in the Collateral to the extent set forth therein and as to all other Collateral, and shall perform all of its duties and obligations under such contracts and other Collateral to the same extent as if this Agreement had not been executed; (b) the exercise by Grantee of any of its rights and remedies hereunder shall not operate to release Grantor from any of its duties or obligations under any contracts included in the Collateral and as to any other Collateral; and (c) Grantee shall not have any obligation or liability under any such contracts included in the Collateral or as to any other Collateral by reason of this Agreement, and Grantee shall not be obligated to perform or fulfill any of the obligations or duties of Grantor thereunder or to take any action to collect or to (i) make any inquiry as to the nature or sufficiency of any payment Grantor may be entitled to receive thereunder, (ii) present or file and claim or (iii) enforce any claim for payment assigned hereunder.

Section 2.04. Authorization to File Financing Statements.

(a) Grantor hereby irrevocably appoints Grantee its attorney-in-fact and authorizes Grantee at any time and from time to time, without notice to Grantor, to file in any UCC jurisdiction or other appropriate location any financing statements or other appropriate documents and any amendments thereto and continuations thereof that: (i) describe or indicate the Collateral (x) as all assets of Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (y) with greater detail; and (ii) contain any other information required by Article 9 of the UCC or other applicable law or as otherwise appropriate for the sufficiency or filing office acceptance of any financing statement or other document or amendment or continuation, including, as applicable, whether Grantor is an organization, the type of organization and any organization identification number issued to Grantor.

(b) Grantor agrees to furnish any such information required for purposes of Section 2.04(a) to Grantee promptly upon request.

Section 2.05. Recordation. Grantor authorizes the Commissioner for Patents, the Commissioner for Trademarks and the Register of Copyrights and any other government officials to record and register this Agreement upon request by Grantee.

Section 2.06. Other Actions. Without limiting any other obligations of Grantor in respect of the Collateral set forth herein or in the Note, Grantor hereby agrees to take any action reasonably requested by Grantee to effect the attachment, perfection and first priority of (subject to any Permitted Liens (as such term is defined in the Note)), and the ability of Grantee to enforce, Grantee's security interest in any and all of the Collateral (and to pay all reasonable documented out-of-pocket expenses incurred in connection therewith), including any of the following: (a) comply with any provision of any law as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of Grantee to enforce, Grantee's security interest in any material portion of the Collateral; (b) obtain Governmental Authority and all other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on the Collateral, to the extent such consent or approval is a condition to attachment, perfection or priority of, or ability of Grantee to enforce, Grantee's security interest in any material portion of the Collateral; (c) furnish to Grantee, from time to time, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Grantee may reasonably request, and all in reasonable detail; and (d) at Grantee's request, appear in and defend any Dispute that may affect Grantor's title to or Grantee's security interest in any material portion of the Collateral.

ARTICLE III

Representations and Warranties

Grantor represents and warrants to Grantee as follows:

Section 3.01. Grantor's Legal Status. (a) Except as set forth in Schedule 3.01, Grantor's exact legal name is that indicated in the preamble hereto, Grantor has not, during the past five years, been known by or used any other corporate or fictitious name, nor been a party to any merger, acquisition or consolidation; and (b) Grantor is an organization of the type and organized in the jurisdiction set forth in the preamble hereto.

Section 3.02. Ownership; No Liens. Grantor owns the Collateral free and clear of any liens, security interests, or other encumbrances, except for the security interest created by this Agreement and any Permitted Liens. No effective security agreement, financing statement, assignment, equivalent security, lien or other instrument similar in effect covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed in favor of Grantee relating to this Agreement or in connection with any Permitted Liens.

Section 3.03. Validity.

(a) Except as set forth on Schedule 3.03, Grantor has good title to, has rights in, and has the power to transfer each item of the Collateral, free and clear of any and all liens, security interests, and other encumbrances except any Permitted Liens, and has full power and authority to grant to Grantee the security interest in such Collateral pursuant to this Agreement.

(b) Subject to Permitted Liens, this Agreement creates a valid security interest in the Collateral securing the payment and performance in full of the Secured Obligations. Upon filing appropriate financing statements in the applicable filing offices, all filings, registrations and recordings presently necessary to create and perfect the first priority security interest granted to Grantee in the Collateral for which a security interest may be perfected by filing will have been taken.

Section 3.04. Authorization; Approval. No authorization or approval by, and no notice to or filing with, any Governmental Authority or any person: (a) is required for the grant by Grantor of the security interest granted hereby (except as to any later arising or acquired commercial tort claims) or for the execution, delivery, and performance of this Agreement by Grantor; or (b) is required for the perfection of the security interest of Grantee in the Collateral or exercise by Grantee of its rights and remedies hereunder, other than the filing of financing statements in the appropriate offices, to the extent that the security interest in the Collateral can be perfected by the filing of financing statements.

Section 3.05. Enforceability. This Agreement is the legal, valid and binding obligation of Grantor, enforceable against Grantor in accordance with its terms, subject, as to enforcement of remedies, to bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or general equitable principles.

ARTICLE IV

Covenants

Section 4.01. Covenants.

(a) For so long as this Agreement shall remain in effect, Grantor hereby covenants and agrees to abide by and perform all obligations and covenants set forth in the Note and herein, including, without limitation, the conversion obligations (as applicable) and restrictions on indebtedness and liens set forth in the Note.

(b) Grantor agrees that it will not interfere with any right, power and remedy of Grantee provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by Grantee of any one or more of such rights, powers or remedies.

(c) Without limiting any of the foregoing covenants, Grantor agrees (i) not to use or permit any of the Collateral to be used unlawfully in any material respect or in material violation of any provision of the Note or any applicable law or any policy of insurance covering the Collateral and (ii) to pay promptly when due all taxes now or hereafter imposed upon or affecting any of the Collateral.

ARTICLE V
Rights and Duties of Grantee

Section 5.01. Grantee Appointed Attorney-in-Fact.

(a) Grantor, on behalf of itself and its subsidiaries, hereby irrevocably appoints Grantee (and each of Grantee's designees) as Grantor's and such subsidiaries' true and lawful attorney-in-fact, with full authority and power in the place and stead of Grantor and such subsidiaries and in the name of Grantor, such subsidiaries, Grantee or otherwise, from time to time in Grantee's discretion from and after the occurrence and during the continuation of an Event of Default, to take any appropriate action and to execute any instrument that Grantee may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including: (i) to ask, demand, collect, enforce, sue for, recover, compromise, receive, and acquit and receipts for monies due and to become due under or in respect of any of the Collateral; (ii) to receive, endorse, and collect any checks, drafts or other instruments, documents, and chattel paper in connection with clause (a) above; (iii) to file any claims or take any action or institute any proceedings (or to settle, adjust or compromise any such proceeding) that Grantee may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Grantee with respect to any of the Collateral; (iv) to perform the affirmative obligations of Grantor hereunder; (v) to execute and deliver, for and on behalf of Grantor and such subsidiaries, any and all instruments, documents, agreements, and other writings necessary or advisable for the exercise on behalf of Grantor and its subsidiaries of any rights, benefits or options created or existing under or pursuant to the Collateral (including but not limited to executing and delivering to any Governmental Authority any correspondence or other documentation necessary or advisable to effect a transfer of any regulatory approval); and (vi) to execute endorsements, assignments, or other instruments of transfer with respect to the Collateral.

(b) Notwithstanding the foregoing, Grantee shall not be obligated to and shall have no liability to Grantor or any third party for failure to take any of the actions described in Section 5.01(a).

(c) Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section 5.01 is irrevocable and coupled with an interest.

Section 5.02. Grantee May Perform. If Grantor fails to perform any agreement or covenant contained herein, Grantee may itself (but shall not be obliged to) perform, or cause performance of, such agreement or covenant, and in connection therewith Grantee shall be entitled to act as Grantor's true and lawful attorney-in-fact and with the full benefits of Section 5.01 hereof.

ARTICLE VI
Remedies

Section 6.01. Certain Remedies. If any Event of Default shall have occurred and is continuing: (a) Grantee may exercise in respect of the Collateral, in addition to other rights available to it at law or in equity or otherwise, or under the Note, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) or any other applicable law, and also may: (i) require Grantor to, and Grantor hereby agrees that it shall, at Grantor's expense and promptly upon request of Grantee, assemble all or part of the Collateral as directed by Grantee and make it available to Grantee at a place to be designated by Grantee that is reasonably convenient to both parties; (ii) exercise any and all rights and remedies of Grantor under or in connection with the Collateral; (iii) foreclose or otherwise enforce Grantee's security interest in any manner permitted by law or provided for in this Agreement, and sell any of all of the Collateral in any commercially reasonable manner; and (iv) without notice or demand of legal process, all of which are hereby expressly waived by Grantor, enter into property where any of the Collateral is located and take possession thereof; provided, however, that notwithstanding the foregoing, Grantee may transfer the Collateral or any portion thereof without any preparation or processing; and (b) Grantor, on behalf of itself and its subsidiaries, specifically waives (to the extent permitted by law) all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted.

ARTICLE VII
Miscellaneous

Section 7.01. Assignments. Grantor and Grantee shall not be permitted to assign this Agreement without the prior written consent of the other party and any purported assignment in violation of this Section 7.01 shall be null and void.

Section 7.02. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 7.03. Notices. All notices and other communications shall be given as set forth in the Note.

Section 7.04. Entire Agreement. This Agreement and the Note of even date herewith by and between Grantor and Grantee contain the entire agreement between the Parties relating to the subject matter hereof and supersede all oral statements and prior writings with respect thereto.

Section 7.05. Modification. No provision hereof may be amended or modified except by an agreement or agreements in writing executed by Grantor and Grantee.

Section 7.06. No Delay; Waivers; etc.

(a) No failure to exercise and no delay in the exercise, on the part of Grantee, of any right, remedy, power or privilege hereunder and no course of dealing with respect thereto shall impair such right, remedy, power or privilege or be construed to or operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Grantee shall not be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by Grantee.

(b) Grantor waives any right to require Grantee to proceed against any person or to exhaust any of the Collateral or to pursue any remedy in such Grantee's power.

Section 7.07. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, then, to the fullest extent permitted by law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 7.08. Governing Law. This Agreement and the Note shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to any conflict of laws principles that would require application of the laws of another jurisdiction other than Section 5-1401 of the General Obligations Law of the State of New York.).

Section 7.09. Jurisdiction. Grantor irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States sitting in the State of New York, and of the courts of its own corporate domicile with respect to actions or proceedings brought against it as a defendant, for purposes of all proceedings. Grantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any proceeding and any claim that any proceeding has been brought in an inconvenient forum. Any process or summons for purposes of any proceeding may be served on Grantor by mailing a copy thereof by registered mail, or a form of mail substantially equivalent thereto, addressed to it at its address as provided for notices under the Note.

Section 7.10. Waiver of Jury Trial. *Grantor hereby irrevocably waives any and all right to trial by jury in any proceeding.*

Section 7.11. Waiver of Immunity. To the extent that Grantor has or hereafter may be entitled to claim or may acquire, for itself or any of its assets, any immunity from suit, jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or any of its property, Grantor hereby irrevocably waives such immunity in respect of its obligations hereunder to the fullest extent permitted by law.

Section 7.12. Counterparts; Facsimile Signatures. This Agreement may be executed and delivered by facsimile signature (including PDF) and in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 7.13. Rights Not Exclusive. The rights, powers and remedies of Grantee under this Agreement are cumulative and are not exclusive of, and shall be in addition to, all rights, powers and remedies given to Grantee by virtue of any law and/or the Note, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing Grantee's security interest in the Collateral.

Section 7.14. Indemnification. Grantor shall, to the fullest extent permitted by law, indemnify (but only to the extent of and out of Grantor assets) Grantee against all reasonable expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Grantee in connection with any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, before or by any court or any administrative or legislative body or authority, in which Grantee is involved, as a party or otherwise, or with which Grantee may be threatened, arising in connection with the Prior Notes, the Note or this Agreement (each, an "**Action**"), except to the extent the same has been finally adjudicated to constitute fraud, gross negligence or willful misconduct of Grantee or a breach by Grantee of the Prior Notes, the Note or this Agreement. Promptly after receipt by Grantee of notice of the commencement or threatened commencement against it of any third party Action, Grantee will notify Grantor. Grantor will be entitled to assume the defense of the Action unless Grantee shall have reasonably concluded that a conflict may exist between Grantor and Grantee in conducting the defense of the Action. If Grantor assumes the defense of any Action in accordance with the provisions of this Section, it will not be liable to Grantee for any legal or other expenses subsequently separately incurred by Grantee in connection with the defense of such Action. Grantor shall not be liable for any settlement of a third-party Action effected without its written consent, which consent may not be unreasonably withheld.

Section 7.15. Amendment and Restatement; Reaffirmation. Grantor hereby acknowledges that it has reviewed the terms and provisions of this Agreement and consents to the amendment and restatement of the Third Amended and Restated Security Agreement effected pursuant to this Agreement. Grantor hereby confirms that this Agreement will continue to secure, to the fullest extent possible in accordance with the terms hereof, the payment and performance of the obligations set forth herein and in the Note, as applicable now or hereafter existing, and that this Agreement does not constitute a novation of the obligations and liabilities existing under the Third Amended and Restated Security Agreement or the Prior Notes. Grantor and Grantee hereby agree that, on the date hereof, the terms and provisions of the Third Amended and Restated Security Agreement shall be and hereby are amended and restated in their entirety by the terms, conditions and provisions of this Agreement, and the terms and provisions of the Third Amended and Restated Security Agreement shall be superseded by this Agreement.

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

RYAN DREXLER, AN INDIVIDUAL

AS GRANTEE

/s/ Ryan Drexler _____

MUSCLEPHARM CORPORATION, A NEVADA CORPORATION

AS GRANTOR

By: /s/ Allen Sciarillo _____

Name: Allen Sciarillo
Title: Chief Financial Officer