

## NON-RECOURSE PROMISSORY NOTE

\$1,000,000.00

March     , 2015

FOR VALUE RECEIVED, ERGO (E.B. 2014) LTD., having an address at 1 Shaul Hamelech Boulevard, Tel-Aviv 6473301, Israel (the "Borrower"), hereby promises to pay to the order of SOUTHERN TRUST COMPANY, INC., having an address at 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802 (the "Lender"), the principal sum of One Million and 00/100ths Dollars (U.S. \$1,000,000.00), plus interest on the unpaid principal balance at the rate of three percent (3.00%) [Darren, please note that such interest will only cause problems if and when we will convert it to interest in the LLP, as under Israeli tax law we will need to withhold and deduct money considering that part of the interest will be issued in consideration for the accrued interest. I highly recommend to reduce it to very close to zero] per annum (the "Interest Rate"), on March     , 31, 2018 (the "Maturity Date"). On the Maturity Date, or upon earlier acceleration, all outstanding principal, accrued interest and charges hereunder shall be due and payable in full.

### LOAN.

This Note is made to confirm and constitute the Borrower's obligation to repay a loan in the amount of One Million and 00/100ths Dollars (U.S. \$1,000,000.00) made by the Lender to the Borrower in trust for a certain yet to be formed Israeli limited liability partnership (the "LLP") which will use the full amount of the proceeds of said loan to purchase from Reporty Homeland Security Ltd., an Israeli private company ("Reporty"), Shares of Reporty's Series A Preferred Shares (said Series A Preferred Shares, including all such shares initially to be acquired and all such shares that may hereafter be acquired, are hereinafter referred to as the "Purchased Shares") upon the terms and conditions of that certain Series A Preferred Share Purchase Agreement in substantially the form attached as Exhibit A hereto (the "Purchase Agreement"). The Borrower represents and warrants that Ehud Barak is the sole beneficial owner of the Borrower. The Borrower covenants that Ehud Barak shall remain the sole beneficial owner of the Borrower at all times through and including the Maturity Date. The Borrower further covenants that the Borrower shall be the ~~sole beneficial owner, whether directly or indirectly, of all of the issued and outstanding ownership interests~~ general partner in the LLP at all times from and after the creation of the LLP and issuance of any partnership interests therein through and including the Maturity Date.

### NON-RECOURSE OBLIGATION.

~~The full amount of this Note is secured by the pledge and grant by the Borrower, for itself and on behalf of the LLP, of all of the right, title and interest of Borrower or the LLP, as the case may be, in and to the Purchased Shares, pursuant to the terms and provisions of a Pledge Agreement, of even date herewith by and among the Borrower and the Lender, a copy of which is attached as Exhibit B hereto (the "Pledge Agreement").~~ This Note is non-recourse as to the Borrower. The Lender's recovery against the Borrower for the failure to pay any amount owing hereunder when due shall be limited solely to the Purchased Shares ~~and the Reporty Collateral (as defined in the Pledge Agreement)~~. The Borrower shall not be liable or have any personal liability in any other respect for the payment of any amount due under this Note.

APPLICATION OF PAYMENTS.

All payments made by the Borrower hereunder, shall be applied first to late charges, fees, costs, expenses and all other amounts due the Lender, if any, under this Note or otherwise (including legal fees and expenses incurred in enforcing the Lender's rights), other than principal and interest, then to interest at the rate of interest then in effect (including, without limitation, any default interest due), and the balance to the principal balance due under this Note.

PAYMENT CURRENCY; PLACE OF PAYMENT.

All payments on this Note are to be made by a transfer of the Purchased Shares, or (per Borrower's sole discretion) in lawful money of the United States of America in immediately available funds, at the office of the Lender at 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802, or such other place as the Lender shall designate to the Borrower in writing.

NON-BUSINESS DAYS.

If any payment of principal or interest hereunder becomes due on a Saturday, Sunday or any other day which is not a business day, such payment shall be deferred to, and shall be payable on, the next business day.

PREPAYMENT.

This Note may be prepaid in whole or in part, without premium or penalty, and each such prepayment shall be made together with interest accrued on the amount prepaid.

DEFAULT.

If any of the following events shall occur during the term hereof, such events shall be deemed a default by the Borrower hereunder (each an "Event of Default"):

(i) The failure of Borrower, in the name and for the benefit of the LLP, to close on the purchase of at least \$1,000,000 of Purchased Shares from Reporty by March \_\_\_, 2015 substantially upon the terms and conditions set forth in the Purchase Agreement; or

(ii) There shall be a default in the payment of principal, interest or any other amount due under this Note as and when the same shall have become due and payable in accordance with the terms hereof; or

~~(iii) The Borrower and/or, upon assignment of this Note to the LLP, the LLP shall be in breach of any provisions of the Pledge Agreement and fail to cure the same within five (5) days after receiving notice of such breach from the Lender; or~~

~~(iviii) There shall have been entered any order, judgment or decree by a court of competent jurisdiction for relief in respect of the Borrower, the LLP or Reporty under any applicable Federal or state bankruptcy law or similar law, or appointing a receiver, assignee or trustee of all or a substantial part of the Borrower's, the LLP's or Reporty's property, assets or revenues, and any of the above in this section was not deleted within 30 days; or~~

(iv) The filing by the Borrower, the LLP or Reporty of a petition or consent to a petition seeking relief under any applicable bankruptcy, insolvency or other similar law, or the consent by the Borrower, the LLP or Reporty to the institution of proceedings thereunder or to the filing of any such petition or to the appointment or taking of possession by a receiver, liquidator, assignee, trustee or custodian, of any substantial part of the property, assets or revenues of the Borrower, the LLP or Reporty, or the making by the Borrower, the LLP or Reporty of an assignment for the benefit of creditors, or the inability of the Borrower, the LLP or Reporty to pay its debts as they become due and payable; or

(vi) The creation of any lien, claim or encumbrance upon, all or any part of the Purchased Shares ~~or the Reporty Collateral (as defined in the Pledge Agreement)~~, or any interest therein, other than pursuant to this Note ~~or the Pledge Agreement~~ or any of the documents pursuant to which the Borrower or the LLP acquires any of the Purchased Shares ~~or Reporty Collateral~~, or any sale, transfer, assignment, or other disposition of all or any part of the Purchased Shares ~~or the Reporty Collateral~~, or any interest therein; or

(vii) The creation of any lien, claim or encumbrance upon, all or any part any of the property, assets or revenues of the LLP, whether now owned or hereafter acquired, or any general partnership interest or limited partnership interest therein, other than pursuant to or as contemplated by this Note, ~~the Pledge Agreement~~ or any of the documents pursuant to which the Borrower or the LLP acquires any of the Purchased Shares ~~or any Reporty Collateral~~, or any sale, transfer, assignment, or other disposition of all or any part any of the property, assets or revenues of the LLP, whether now owned or hereafter acquired; or

(viii) Ehud Barak ceases to be the sole beneficial owner of the Borrower, or at any time following the creation of the LLP and issuance of any partnership interests therein ceases to be the sole beneficial owner of all of the issued and outstanding ownership interests in the LLP (unless such issuance was approved in writing by the Lender); or

~~(ixviii) The dissolution of the Borrower, the LLP or Reporty, or the cessation of business of the Borrower, the LLP or Reporty in the ordinary course, or the death of Ehud Barak;~~

(ix) At any time after the execution and delivery hereof, (A) this Note ~~or the Pledge Agreement~~ shall cease to be in full force and effect (other than by reason of the payment in full of all amounts now or hereafter due hereunder and thereunder and the resulting termination of this Note in accordance with the terms hereof) or shall be declared null and void,

or (B) the Borrower, ~~or the LLP or Reporty~~ shall contest the validity or enforceability of this Note ~~or the Pledge Agreement~~ in writing or deny in writing that the Borrower or the LLP has any further liability under this Note ~~or the Pledge Agreement~~; or

~~(xi) — Any event or change that causes or evidences, either in any case or in the aggregate, the material devaluation of the Purchased Shares or the impairment of the Reporty Collateral under the Pledge Agreement, or the impairment of the ability of the Borrower and/or the LLP to perform, or of the Lender to enforce, any of the obligations under this Note or the Pledge Agreement.~~

In the case of an Event of Default, without any demand, presentment, protest or other notice whatsoever to the Borrower, or other statutory or other rights of redemption, or any other action by the Lender, all of which are hereby expressly waived by the Borrower, the unpaid principal amount hereof and all accrued interest shall become due and payable in full upon the occurrence of any such event and the Lender may exercise simultaneously or seriatim any or all of such other rights and remedies as may be lawfully permitted under Federal law or Virgin Islands law and any and all of the remedies of the Lender set forth herein, ~~and in the Pledge Agreement. The Borrower promises to pay interest on each overdue amount (whether of principal, interest or otherwise) payable on or in respect of this Note or the indebtedness evidenced hereby from the date on which such amount shall have first become due and payable in accordance with the terms hereof to the date on which such amount shall be paid to the holder of this Note (whether before or after judgment) at an annual rate of interest which shall (to the extent permitted by applicable law) at all times be equal to ten percent (10%) above the Interest Rate. The unpaid interest accrued on each overdue amount in accordance with the foregoing terms of this paragraph shall become immediately and absolutely due and payable by the Borrower to the holder hereof without the requirement of any notice, present or demand by the holder of this Note.~~ [Darren, it may cause tax withholding issues while not having a real economic value]

#### LOSS, ETC. OF NOTE.

Upon receipt of evidence reasonably satisfactory to the Borrower of the loss, theft, destruction or mutilation of this Note, and of indemnity reasonably satisfactory to the Borrower, if lost, stolen, destroyed or mutilated, the Borrower shall execute and deliver to Lender a new note identical in all respects to this Note.

#### COLLECTION COSTS.

In the event that it becomes necessary to enforce the provisions of this Note against the Borrower in order to collect any amounts due hereunder, all costs, fees and expenses of such enforcement, including, without limitation, all attorneys fees and disbursements and all fees and disbursements of other professionals relating to the enforcement of any obligations under this Note, when incurred shall be deemed to be additions to principal and shall become immediately due and payable hereunder.

#### NON-WAIVER.

The Borrower hereby expressly waives presentment for payment, demand for payment, notice of dishonor, protest, notice of protest, notice of non-payment, and all lack of diligence or delays in collection or enforcement of this Note. The Lender may extend the time of payment of this Note, postpone the enforcement hereof, release any collateral securing this Note, or grant any other indulgences whatsoever without affecting or diminishing the Lender's rights under this Note, which rights are hereby expressly reserved. Any waiver of any provision hereof must be in writing. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or privilege under this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Note preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative and not exclusive of any and all other remedies provided by law.

#### SUCCESSORS AND ASSIGNS.

This Note is binding upon the Borrower and its successors and assigns; provided, however, that the Borrower shall not be entitled to assign or delegate any rights or obligations under this Note without the prior written consent of the Lender; provided, further, however, that the Borrower shall assign this Note, and its rights and obligations hereunder, to the LLP, which shall assume the same, immediately upon formation and registration of the LLP under Israeli law and the Borrower's becoming the general partner of the LLP, and the Lender hereby consents to such assignment. Upon such assignment, the LLP shall be substituted in all places in this Note for the Borrower, and shall have all of the rights and obligations of the Borrower under this Note, as if the LLP were the original maker hereof; ~~provided, however, that after such assignment the Borrower shall remain severally liable, as a primary obligor, for the obligations under this Note to the same extent as it was immediately prior to the assignment thereof.~~

The Borrower hereby consents to the Lender's sale, assignment, transfer or other disposition at any time or times hereafter, of this Note, or any right or interest herein contained. Upon such assignment, the assignee shall have all of the rights of the Lender to enforce any term of this Note. The Borrower agrees not to assert as against any such assignee any claims, offsets, deductions or defenses it may have against the Lender for breach of this Note or otherwise.

#### AMENDMENT AND MODIFICATION.

This Note may be amended, modified or supplemented only by written agreement signed by the Lender and the Borrower.

#### GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES VIRGIN ISLANDS APPLICABLE TO CONTRACTS TO BE PERFORMED ENTIRELY THEREIN, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICT OF LAWS APPLICABLE THEREIN.

#### WAIVER OF JURY TRIAL.

TO THE EXTENT PERMITTED BY LAW, THE BORROWER AND THE LENDER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY.

NOTICES.

Except as otherwise expressly provided in this Note, all notices and other communications made or required to be given pursuant to this Note shall be in writing and shall be delivered by hand, mailed by ~~United States~~-registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by email or facsimile (with evidence of transmission retained) and confirmed by delivery via courier or postal service, addressed as follows: (a) if to the Borrower, to 1 Shaul Hamelech Boulevard, Tel-Aviv 6473301, Israel, facsimile no.: [REDACTED], email: [REDACTED] [to be provided by EB], with a copy to Adv. Udi Knaani, facsimile no. 972-3-6097797, email: udi@fwmk-law.co.il and (b) if to the Lender, to 6100 Red Hook Quarter, B3, St. Thomas, USVI 00802, facsimile no.: 340-775-2528, email: [REDACTED], with a copy to Darren K. Indyke, Esq., Darren K. Indyke, PLLC, 575 Lexington Avenue, 4th Floor, New York, NY 10022, facsimile no. 646-350-0378, or at such other address for notice as the Lender shall last have furnished in writing to the Borrower.

FAXED AND SCANNED SIGNATURES.

Signatures of this Note transmitted by fax, or scanned and then transmitted by email transmission shall have the same effect as original signatures.

IN WITNESS WHEREOF, the Borrower has duly executed this Note on the date first above written.

ERGO (E.B. 2014) LTD.

By: \_\_\_\_\_  
Ehud Barak  
Title: \_\_\_\_\_