
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): **January 31, 2017**

ENER-CORE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-37642

(Commission
File Number)

45-0525350

(I.R.S. Employer
Identification No.)

**9400 Toledo Way
Irvine, California 92618**

(Address of principal executive offices) (Zip Code)

(949) 616-3300

(Registrant's telephone number, including area code)

Not Applicable

(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 (*see* General Instruction A.2. below):

- 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 1, 2017, Ener-Core, Inc. (the “Company”) and Boris A. Maslov, Ph.D. entered into a Separation Agreement and Mutual Release (the “Separation Agreement”), pursuant to which the Company and Dr. Maslov mutually agreed to terminate Dr. Maslov’s employment with the Company, as well as his positions as President, Chief Operating Officer and Chief Technology Officer of the Company, along with any officer, director or employee positions with the Company’s subsidiaries and affiliates, effective as of January 31, 2017 (the “Termination Date”). The Company and Dr. Maslov also entered into an Advisory Services Agreement (the “Advisory Agreement”), effective as of the Termination Date, pursuant to which Dr. Maslov has agreed to provide to the Company certain advisory services, including, without limitation, intellectual property consulting and product design, business development and general advisory services.

The Separation Agreement provides that Dr. Maslov will be entitled to the following severance benefits: a cash payment of \$90,000, to be paid in eighteen (18) equal semi-monthly installments commencing on February 15, 2017; payment for all accrued but unused paid time off; payment of all salary earned and unpaid through the Termination Date; and any pending reimbursement for Company expenses incurred prior to the Termination Date. The Separation Agreement further provides that Dr. Maslov is no longer entitled to any other compensation set forth in his Employment Agreement, dated December 31, 2012, as amended on May 23, 2014, or pursuant to any Company bonus policies, including without limitation any bonus or incentive compensation. The Separation Agreement also includes, among other things, a release of all claims by Dr. Maslov and a release of claims against Dr. Maslov by the Company.

The term of the Advisory Agreement commenced on the Termination Date and will continue for one year, after which it will become month-to-month at the mutual agreement of the Company and Dr. Maslov, unless otherwise terminated. The Advisory Agreement entitles Dr. Maslov to a fee of \$3,000 per month of service plus additional hourly compensation at a rate of \$150 per hour worked in the event Dr. Maslov works more than 30 hours in either of the first two months of the engagement, 50 hours of the first two months combined or 20 hours in any month after the second month. Additionally, the Company agreed to pay certain of Dr. Maslov’s out-of-pocket expenses during the course of his performance under the Advisory Agreement. The Advisory Agreement may not be terminated by either party within the first 90 days, absent a material breach by the Company or Dr. Maslov. After 90 days, however, the Advisory Agreement may be terminated at any time by either party without cause or further obligation. The Advisory Agreement also imposes certain confidentiality and non-disclosure obligations on Dr. Maslov, provides for the assignment of all proprietary information to the Company and includes mutual indemnification obligations.

The Separation Agreement and Advisory Agreement are attached as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. The foregoing descriptions of these agreements do not purport to be complete and are qualified in their entirety by reference to such exhibits.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1+	Separation Agreement and Mutual Release dated February 1, 2017, effective as of January 31, 2017, between the Company and Boris A. Maslov
10.2+	Advisory Services Agreement, effective as of January 31, 2017, between the Company and Boris A. Maslov

+ Indicates a management contract.

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.

ENER-CORE, INC.

Dated: February 6, 2017

By: /s/ Domonic J. Carney
Domonic J. Carney
Chief Financial Officer

EXHIBIT INDEX

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10.1+	Separation Agreement and Mutual Release dated February 1, 2017, effective as of January 31, 2017, between the Company and Boris A. Maslov
10.2+	Advisory Services Agreement, effective as of January 31, 2017, between the Company and Boris A. Maslov

+ Indicates a management contract.

SEPARATION AGREEMENT AND MUTUAL RELEASE

This Separation Agreement and Mutual Release (hereinafter "Agreement"), is made and entered into by and between Boris Maslov ("Employee") and Ener-Core, Inc., a Delaware corporation (the "Company"), with reference to the following:

A. Employee was employed by the Company pursuant to the terms of an Employment Agreement effective as of December 31, 2012, and Amendment to Employment Agreement effective as of May 23, 2014 (collectively, the "Employment Agreement").

B. Employee and the Company (collectively, the "Parties") now mutually desire to end the employment relationship pursuant to the terms of this Agreement and this Agreement shall be in lieu of any severance payments, benefits or notice provisions as provided in the Employment Agreement.

C. The Parties further desire to settle, compromise, and resolve fully and finally any and all claims and disputes, whether known or unknown, which exist or could exist on Employee's behalf against the Company, and on the Company's behalf against the Employee, from the beginning of time through the date of execution of this Agreement.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the Parties hereto agree as follows:

1 . **Termination of Employment Relationship.** The Company and Employee have mutually agreed to terminate the employment relationship effective on January 31, 2017 ("the Termination Date"). On the Termination Date, Employee shall be paid for all accrued but unused paid time off (vacation), as well as all salary earned and unpaid through the Termination Date; Employee shall further be entitled to any pending reimbursement for Company expenses incurred by Employee prior to the Termination Date in accordance with Company policies. At the Termination Date, Employee hereby resigns from (i) all officer positions with the Company (including without limitation the positions of President, Chief Operating Officer and Chief Technology Officer of the Company) and any officer, director or employee positions with its subsidiaries and affiliates and (ii) any fiduciary, administrative or other committees or powers, including with respect to any employee benefit plans or bank accounts of the Company. Employee understands and agrees that he is no longer authorized to act for or on behalf of the Company in any capacity except as directed and that the terms of his Employment Agreement will be terminated effective on the Termination Date, except for those provisions that are specifically intended to survive termination as indicated in the Employment Agreement or incorporated by reference in this Agreement. Notwithstanding anything herein, Company and Employee acknowledge and agree that Sections 7 and 8 of the Employee Agreement are, by this Agreement, specifically intended not to survive or have any effect upon the payments being made, and to be made, hereunder. Employee further understands and agrees that all rights and benefits relating to employment with the Company shall be forever terminated on the Termination Date and that Employee is not entitled to receive and will not claim any compensation, payments or benefits from the Company except for those payments and benefits that are expressly set forth in this Agreement, and that this Agreement is expressly intended to supersede and replace any severance pay or benefits that Employee might otherwise claim pursuant to his Employment Agreement, specifically including those set forth in Sections 7 and 8 therein. However, upon termination, Employee shall be entitled to receive any rights and benefits as a terminated employee with respect to Employee's participation in the Company's health and welfare and/or retirement benefit plans, which shall be provided pursuant to operation of law and under the terms of those respective plans. Employee will be provided with COBRA notice in a separate writing after the Termination Date that sets forth information relating to his entitlement to COBRA coverage.

2. **Severance Payments and Post-Termination Obligations.**

- a. After the Effective Date of this Agreement, and provided that Employee complies with all of the terms of this Agreement, the Company agrees to pay Employee as severance pay a total severance amount of \$90,000 (the "Severance Obligation") to be paid in eighteen (18) equal semi-monthly installments on the 15th day and last day of each month after the Termination Date (commencing February 15, 2017), less applicable statutory deductions and tax withholdings. Employee agrees that he shall be solely responsible for any taxes that may be due and owing as a result of payments made pursuant to this Agreement. The Company may, in its sole discretion, accelerate the payment of the unpaid balance of the Severance Obligation at any time, less applicable statutory deductions and tax withholdings.
- b. Employee acknowledges and agrees that, as of the Termination Date, other than as explicitly set forth in this Agreement, he is no longer entitled to any other compensation set forth in his Employment Agreement or pursuant to Company bonus policies, including without limitation any bonus or incentive compensation, and that any unvested options Employee holds pursuant to the Company's incentive plan(s) are hereby relinquished pursuant to the terms thereof.
- c. As of the Termination Date, Employee and the Company shall enter into an advisory services agreement, in the form attached hereto as Exhibit A, pursuant to which Employee shall provide services to the Company as an advisory board member as set forth therein.

3 . **Release of All Claims - Employee.** In accordance with the requirements of the Employment Agreement, and as consideration for the obligations under Section 2 of this Agreement and the release provided in Section 6 of this Agreement, to which Employee is not otherwise entitled, Employee agrees as follows:

- a. Except for the payments and other benefits expressly set forth in this Agreement, Employee, on behalf of himself, his heirs, legal representatives, successors-in-interest, and assigns, does hereby irrevocably and unconditionally release, acquit, and forever discharge the Company, including all of its past, present, and future parents, subsidiaries, affiliated companies, and owners and all of their past, present, and future predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, and insurers and all persons acting by, through, under, or in concert with any of them (collectively, "Company Released Parties"), and each of them, of and from all claims, complaints, actions, causes of action, rights, demands, debts, obligations, damages, or accountings of whatever nature, in law or in equity, whether known or unknown, which Employee may have, in the past may have had, or in the future may have against Company Released Parties, or any of them, including but not limited to, any and all claims relating to the Employment Agreement or any other claims based on any contract, express or implied, or breach of the covenant of good faith and fair dealing; any claims for stock options and/or any stock, equity or other ownership interest in the Company; any claims for wrongful termination, violation of public policy, constructive discharge, emotional distress, personal injury, invasion of privacy, defamation, fraud, misrepresentation, breach of fiduciary duty, unfair business practices, tortious interference, or any other tort or common law claims; any and all claims for wages, salary, bonuses, commissions, overtime pay, premium pay, vacation pay, severance pay, benefits, contributions or any other claims for compensation; any and all claims for damages (including general, special, compensatory, consequential, liquidated or punitive damages); any and all claims for costs, expenses, attorneys' fees, interest, civil or criminal penalties, waiting time penalties, or any other available remedy; and any and all claims arising under any federal, state, city and/or other governmental statute, law, regulation or ordinance relating to employment, including but not limited to (as amended), Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Employment Opportunity Act of 1972, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Worker Benefit Protection Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the California Labor Code and any applicable Wage Order, the California Business and Professions Code, the California Family Rights Act, the California Fair Employment and Housing Act covering discrimination, harassment and retaliation in employment on any protected basis as established by law (herein collectively, "Claims").

- b. Employee is also waiving his right to any monetary recovery if such Claims are pursued on his behalf. Employee confirms that (to his knowledge) Employee has suffered no injuries or occupational diseases in connection with his employment with the Company that may be compensable under any state worker's compensation laws. Employee confirms that he does not have any pending claim, charge, or suit against the Company Released Parties or any of their employees in any federal, state, or local court or administrative agency.

4 . **Waiver of Rights Under Section 1542.** IT IS FURTHER UNDERSTOOD AND AGREED BY EMPLOYEE THAT HE HEREBY EXPRESSLY WAIVES AND RELINQUISHES ANY AND ALL CLAIMS, RIGHTS OR BENEFITS THAT EMPLOYEE MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

In connection with such waiver and relinquishment, Employee acknowledges that Employee may hereafter discover claims or facts in addition to or different from those which Employee now knows or believes to exist with respect to the matters released herein, but that Employee expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected or unsuspected, which exist or may exist on Employee's behalf against the Company Released Parties at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Employee's employment with the Company or the termination of that employment.

5 . **ADEA Release and Effective Date.** This Agreement includes a release of claims under the federal Age Discrimination in Employment Act (“ADEA”), 29 U.S.C. § 626, et seq, including the Older Workers Benefit Protection Act, and in connection with such waiver and release:

- a. Employee is hereby advised to consult with an attorney of Employee’s choice (and at Employee’s own cost) prior to signing this Agreement;
- b. Employee shall have a period of twenty-one (21) days from January 31, 2017, the date Employee first received this Agreement, in which to review and consider the terms of this Agreement. Employee understands and agrees that the subsequently negotiated and agreed revisions to the Agreement do not extend this initial 21-day period. Employee may execute this Agreement at any time during the 21-day period;
- c. Employee may revoke this Agreement in writing at any time during the first seven (7) days following Employee’s execution of this Agreement (the “Revocation Period”), and this Agreement shall not be effective or enforceable until the Revocation Period has expired. If Employee revokes this Agreement by properly notifying in writing an authorized representative of the Company of its revocation during the Revocation Period, then this Agreement shall not be effective or enforceable. Accordingly, the “Effective Date” of this Agreement shall be on the eighth (8th) day after Employee signs this Agreement and returns it to the Company, and provided that Employee does not revoke the Agreement during the Revocation Period.
- d. Employee acknowledges and agrees that the payments, benefits, further engagement and releases to be provided to Employee as set forth in this Agreement are in addition to anything of value that Employee would otherwise be entitled to receive from the Company upon a mutual separation and constitute valid consideration in exchange for the release of federal age claims as set forth in this Agreement.

6 . **Release of All Claims - Company.** As consideration for the releases provided in Section 3 and 4 of this Agreement, other than the Employee’s obligations set forth in this Agreement and the advisory services agreement referenced herein, the Company, on behalf of itself, its subsidiaries, affiliates, past, present, and future predecessors, successors, assigns, agents, directors, officers, employees, and other representatives, does hereby irrevocably and unconditionally release, acquit, and forever discharge the Employee from all claims, complaints, actions, causes of action, rights, demands, debts, obligations, damages, or accountings of whatever nature, in law or in equity, whether known or unknown, which the Company may have, in the past may have had, or in the future may have against Employee, or any of them, including but not limited to, any and all claims relating to the Employment Agreement, the employment relationship and any other relationships between Company and Employee that are terminated hereby, or any other claims based on any contract, express or implied, or breach of the covenant of good faith and fair dealing; any claims for violation of public policy or Company policy; emotional distress, personal injury, invasion of privacy, defamation, fraud, misrepresentation, breach of fiduciary duty, unfair business practices, tortious interference, or any other tort or common law claims; any and all claims for damages (including general, special, compensatory, consequential, liquidated or punitive damages); any and all claims for costs, expenses, attorneys’ fees, interest, civil or criminal penalties, waiting time penalties, or any other available remedy; and any and all claims arising under any federal, state, city and/or other governmental statute, law, regulation or ordinance relating to employment.

7 . **Waiver of Rights Under Section 1542.** IT IS FURTHER UNDERSTOOD AND AGREED BY COMPANY THAT IT HEREBY EXPRESSLY WAIVES AND RELINQUISHES ANY AND ALL CLAIMS, RIGHTS OR BENEFITS THAT COMPANY MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

In connection with such waiver and relinquishment, Company acknowledges that Company may hereafter discover claims or facts in addition to or different from those which Company now knows or believes to exist with respect to the matters released herein, but that Company expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected or unsuspected, which exist or may exist on Company’s behalf against the Employee at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Company’s employment of the Employee or the termination of that employment.

8. **No Filing of Claims.** The Parties represent and warrant, that as of the date of this Agreement, neither Party presently has on file any claims, charges, grievances, actions, appeals or complaints against the Employee or the Company Released Parties, as applicable, in or with any administrative, state, federal or governmental entity, agency, board or court, or before any other tribunal or panel of arbitrators, public or private, based upon any actions by such Parties that are alleged to have occurred prior to the date of this Agreement. To the extent any such claims or actions do exist as of the date of this Agreement, each Party represents and agrees to dismiss, with prejudice, any and all such claims and, if such Party does not have the authority or ability to dismiss any such claims, such Party hereby expressly agrees that he shall not personally recover or receive any monetary damages or award relating to any such claims, *provided*, nothing in this Agreement shall negate, limit or otherwise prohibit the Employee from exercising his rights communicate with any federal government agency regarding any potential violation of federal law or regulation, including without limitation to engage with the U.S. Securities and Exchange Commission pursuant to Section 21F(h) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder (“Reserved Rights”). If applicable, the relevant Party may present this Agreement to any such agency or court as a basis to seek such dismissal or denial of monetary relief.

9 . **Ownership of Claims.** The Parties represent and warrant that each is the sole and lawful owner of all rights, title and interest in and to all released matters, claims and demands as herein contained and that there has been no assignment or other transfer of any interest of any claim or demand which either may have against the Employee or the Company Released Parties, as applicable.

10. **Non-Admission of Liability.** It is expressly understood and agreed by the Parties that nothing contained in this Agreement shall constitute or be treated as an admission of any wrongdoing or liability on the part of any Party to this Agreement. Each Party expressly denies that the Employee or the Company Released Parties have engaged in any wrongful or unlawful conduct of any kind or in any violation of law relating to Employee’s employment relationship with the Company.

11 . **Confidentiality.** Employee acknowledges that he previously agreed to be bound by the provisions of his Employment Agreement addressing preservation of Confidential Information and protection of the Company’s intellectual property, and, as a condition of this Agreement, he acknowledges and confirms that those terms and conditions of his Employment Agreement shall survive the termination of the employment relationship and shall remain fully enforceable against Employee after the Termination Date, pursuant to the terms of the Employment Agreement, *provided*, nothing in such provisions shall negate or undermine the Reserved Rights as set forth in Section 8 above. Employee acknowledges that this Agreement shall be filed publicly by the Company with the U.S. Securities and Exchange Commission.

12. **Return of Company Property.** As a condition of receiving the severance payment set forth in Section 2 above, except as otherwise instructed by the Company pursuant to the advisory services agreement referenced herein, Employee agrees to return to the Company on or before the Termination Date all the Company property, equipment, devices, files, documents and data of any kind, whether stored in paper, disk, tape or any other electronic form, that Employee has in his possession or control. Employee further represents and agrees that, to the extent he subsequently discovers any Company documents or property of any kind after the Termination Date, he will promptly return the same (and any copies) to the Company in the same condition that he found them.

13. **Attorneys Fees and Costs.** If any legal action is brought under this Agreement for an asserted breach or to enforce any of its terms, the prevailing party shall be entitled to recover costs and reasonable attorneys fees; *provided, however*, that, to the extent the issues raised in any claim or dispute under this Agreement are based on state or federal statutes that provide for attorneys fees to the prevailing party, then the basis for awarding such attorneys fees shall be consistent with the applicable standards for awarding attorneys fees to the prevailing party under those respective state or federal statutes and applicable laws.

14. **California Law Applies.** This Agreement, in all respects, shall be interpreted, enforced and governed by and under the laws of the State of California.

15. **Successors and Assigns.** It is expressly understood and agreed by the Parties that this Agreement and all of its terms shall be binding upon the Parties' respective representatives, heirs, executors, administrators, successors and assigns. This Agreement and the releases from the Parties contained herein shall inure to the benefit of the Employee or Company Released Parties, as applicable.

16. **Severability.** In the event any provision of this Agreement shall be found by a court of competent jurisdiction to be void, invalid or unenforceable, the provision shall be deemed modified to the fullest extent permitted by law to cure the invalid or unenforceable provision consistent with the intent of the Parties, and if that is not possible, then the void, invalid or unenforceable provision shall be deleted and severed from this Agreement but only to the extent that it does not materially change the terms of this Agreement or alter the intent of the Parties, and all other provisions of this Agreement shall remain in full force and effect.

17. **Integration; Modification.** This Agreement, the Employment Agreement and the advisory services agreement attached hereto to Exhibit A, constitute a single, integrated, written contract expressing the entire agreement between the Parties regarding the termination of Employee's employment and they supersede and replace all prior agreements or understandings between the Parties relating to the subject matter of this Agreement, whether written, oral or implied. Each Party represents and warrants to the other that such Party is not relying on any promises, representations or inducements of any kind which do not appear written herein. Each Party further agrees that this Agreement can be amended or modified only by a written agreement, signed by all Parties.

18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all counterparts so executed shall constitute one agreement binding on all of the Parties hereto, notwithstanding that all of the Parties are not signatory to the same counterpart. This Agreement may be executed and transmitted either by original, facsimile, or electronic delivery, each of which will be equally binding as an original upon receipt by the other Party.

19. **Understanding and Voluntary Agreement.** By signing below, Employee confirms that he is competent to execute this Agreement. Employee understands and agrees that he may be waiving significant legal rights by signing this Agreement. Employee represents and agrees that he has entered into this Agreement voluntarily, with a full understanding of and in agreement with all of its terms, and after having had the opportunity to consult with an attorney of his choice. By signing below, Company confirms that its entry into this Agreement has been authorized by the Company's board of directors and that the Company's signatory was specifically authorized to execute and deliver this Agreement on behalf of the Company.

20. **Section 409A.** This Agreement is intended to comply, to the extent applicable, with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and shall, to the extent practicable, be construed in accordance with such section. For purposes of this Agreement, each amount to be paid or benefit to be provided will be construed as a separate identified payment for purposes of Section 409A, and any payments that are due within the "short term deferral period" as defined in Section 409A will not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or additional taxes under Section 409A, amounts reimbursable to Employee under this Agreement shall be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to Employee) during any one year may not effect amounts reimbursable or provided in any subsequent year.

21. **Interpretation.** This Agreement is to be interpreted in accordance with its fair meaning and not strictly for or against any Party. This Agreement will not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that all Parties have contributed substantially and materially to the preparation of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Separation Agreement and Mutual Release on the dates indicated below.

Dated: February 1, 2017

BORIS MASLOV

/s/ Boris A. Maslov

Dated: February 1, 2017

ENER-CORE, INC.

By: /s/ Domonic J. Carney

Its: CFO

EXHIBIT A

Advisory Services Agreement

[Omitted]

ADVISORY SERVICES AGREEMENT

This Advisory Services Agreement (“Agreement”) is effective as of January 31, 2017 (“Effective Date”) by and between ENER-CORE, Inc., a Delaware corporation (the “Company”), and Boris Maslov (the “Advisor”).

In consideration of the mutual covenants and agreements hereafter set forth, the parties agree as follows:

1. Duties of Advisor.

a. Services. Advisor shall perform the services (“Services”) set forth on Exhibit A attached hereto, as it may be amended by the written agreement of both parties from time to time (the “Work Statement”).

b. Designated Representatives. All matters relating to this Agreement may be decided by the Designated Representatives of each of the parties (as identified in the Work Statement - Exhibit A, attached hereto) in a manner which is binding on the respective parties. Advisor shall report directly to Company’s Designated Representative and shall provide its services in accordance with the Work Statement and further instructions of Company’s Designated Representative, and with such reasonable instructions given to Advisor by any other officer or director of Company. Either party may at any time change its Designated Representative by providing written notice of such change in accordance with Section 10.c.

c. Performance. Advisor’s performance under this Agreement shall be conducted with due diligence and in full compliance with the highest professional standards of practice in the industry. Advisor shall at all times comply with all applicable laws and Company’s rules, of which Advisor is advised in writing, in the course of performing the Services.

d. Persons Providing Services. If Advisor is a corporation or other business entity, the Services shall be provided by approved representatives or such other employee(s) of Advisor who are approved by Company in writing prior to performing any of the Services.

2. Compensation. The fees payable by Company and the payment terms of such fees shall be as set forth in the Scope of Work. All fees provided for in the Scope of Work are Advisor’s sole compensation for rendering the Services to Company. Advisor shall bear any and all costs or expenses incurred in the performance of this Agreement.

3. Term/Termination. This Agreement will commence on the Effective Date and continue for a term of one year and be month-to-month thereafter at the mutual agreement of the parties unless otherwise terminated in accordance with this Section 3. The first ninety (90) days of this Agreement shall be guaranteed (“Initial Term”) and neither party may terminate this Agreement within the Initial Term unless there is a material breach hereof by a party hereto and the non-breaching party provides written notice of such breach to the other party along with a detailed description of such breach and allows the alleged breaching party five (5) days to cure same. Subsequent to the Initial Term, the Agreement shall continue and may be terminated by either party without cause at any time with a termination notice, provided that any termination notice received after the first of each subsequent month shall be effective on the first day of the following month. However, any obligation to pay accrued and/or earned compensation due to Advisor hereunder as well as any indemnity obligations stated hereunder shall survive such termination.

4. Confidentiality.

a. Proprietary Information. Advisor understands that Company possesses and will possess Proprietary Information that is important to its business. For purposes of this Agreement, “Proprietary Information” is all confidential, non-public information that is disclosed to Advisor or that was or will be developed, learned, created, or discovered by Advisor (or others) for or on behalf of Company, or that became or will become known by, or was or is conveyed to Company (including, without limitation, the Results) and has commercial value in Company’s business, or that is developed at Company’s facilities or with use of Company’s equipment. Proprietary Information includes, but is not limited to, information (and all tangible items in any form incorporating, embodying or containing information) relating to (a) all client/customer lists, vendor lists and all lists or other compilations containing client, customer or vendor information; (b) information about products, proposed products, research, product development, know-how, techniques, processes, costs, profits, markets, marketing plans, strategies, forecasts, sales and commissions, and unpublished information relating to technological and scientific developments; (c) plans for future development and new product concepts; (d) all manufacturing techniques or processes, documents, books, papers, drawings, schematics, models, sketches, computer programs, databases, and other data of any kind and descriptions including electronic data recorded or retrieved by any means; (e) the compensation, performance and terms of employment of Company employees; (f) software in various stages of development, and any designs, drawings, schematics, specifications, techniques, models, data, source code, algorithms, object code, documentation, diagrams, flow charts, research and development, processes and procedures relating to any software; and (g) all other information that has been or will be given to Advisor in confidence by Company (or any affiliate) concerning Company’s actual or anticipated business, research or development, or that is received in confidence by or for Company from any other person or entity. Proprietary Information does not include information that Advisor demonstrates to Company’s satisfaction, by written documentation created in the ordinary course of business, (i) is in the public domain through lawful means that do not directly or indirectly result from any act or omission of Advisor in breach of its obligations hereunder or (ii) was already rightfully known to Advisor or disclosed by a third party without any confidentiality restrictions (other than in connection with this Advisory arrangement) without restriction on use or disclosure at the time of Company’s disclosure to Advisor.

b. Non-Disclosure. Advisor understands that the Advisory arrangement creates a relationship of confidence and trust between Advisor and Company with regard to Proprietary Information. Advisor will at all times, during the term of this Agreement, keep the Proprietary Information in confidence and trust. Advisor will not, without the prior written consent of an authorized officer of Company (i) copy, use or disclose any Proprietary Information, (ii) remove any Proprietary Information from the business premises of Company, or (iii) deliver any Proprietary Information to any person or entity outside the Company. Notwithstanding the foregoing, Advisor may use the Proprietary Information (and disclose and deliver same to Advisor's employees, if applicable, who have a need to know, provided such employees have previously entered into written agreements protecting third-party proprietary information received by Advisor and containing provisions at least as restrictive as those set forth in this Section 4) as may be necessary and appropriate in the ordinary course of performing the Services and may disclose to representatives as otherwise required by law. Advisor further acknowledges and agrees that the information received in the course of the Advisory arrangement may be material, non-public information (which shall be deemed and handled as Proprietary Information), and that Advisor is obligated to comply with all federal and state securities laws with respect to the handling of such information, including restrictions on trading in the Company's securities while in possession of such information.

c. Return of Proprietary Information. Advisor agrees that upon termination of this Agreement upon Company's request, Advisor shall promptly deliver to Company all Proprietary Information, any document or media that contains Results (and all copies thereof), and any apparatus or equipment (and other physical property or any reproduction of such property), excepting only Advisor's copy of this Agreement.

5. Ownership and License.

a. Assignment of Proprietary Information. All Proprietary Information, and all patents, patent rights, copyrights, mask work rights, trademark rights, trade secret rights, *sui generis* database rights, and all other intellectual and industrial property and proprietary rights of any kind that currently exist or may exist in the future anywhere in the world (collectively, the "Rights") in connection therewith shall be the sole property of Company. Advisor hereby irrevocably assigns to Company, without further consideration, any and all Rights that Advisor may have or acquire in the Proprietary Information.

b. Privacy. Advisor recognizes and agrees that it has no expectation of privacy with respect to Company's telecommunications, networking, or information processing systems (including, without limitation, stored computer files, e-mail messages and voice messages) and that Advisor's activity, and any files or messages, on any of those systems may be monitored at any time without notice.

6. Independent Contractor. (i) Advisor shall act in the capacity of an independent contractor with respect to the Company, and not as an employee or authorized agent of the Company. Advisor shall not have any authority to enter into contracts or binding commitments in the name or on behalf of the Company. Advisor will not use the Company's logo or marks without prior written approval, and then such use shall be only for the benefit of the Company and at the direction of the Company. Advisor shall not be, nor represent itself as being, an agent of the Company, and shall not be, nor represent itself as being authorized to bind the Company. (ii) Advisor agrees, acknowledges and understands that it shall not have the status of an employee of the Company and shall not participate in any employee benefit plans or group insurance plans or programs (including, but not limited to salary, bonus or incentive plans, stock option or purchase plans, or plans pertaining to retirement, deferred savings, disability, medical or dental), even if it is considered eligible to participate pursuant to the terms such plans. In addition, Advisor understands and agrees that consistent with its independent contractor status, it will not apply for any government-sponsored benefits intended only for employees, including, but not limited to, unemployment benefits. (iii) Advisor understands and agrees that it shall not participate in any plans, arrangements, or distributions by the Company pertaining to or in connection with any pension, stock, bonus, profit-sharing, or other similar benefit program the Company may have for its employees, regardless of whether Advisor is classified as an employee for any other purpose or is otherwise eligible to participate in such plans. Advisor's exclusion from benefit programs maintained by the Company is a material component of the terms of compensation negotiated by the parties, and is not premised on Advisor's status as a non-employee with respect to the Company. To the extent that Advisor may become eligible for any benefit programs maintained by the Company (regardless of timing or reason for eligibility), Advisor hereby waives its right to participate in the programs. Advisor's waiver is not conditioned on any representation or assumption concerning Advisor's legal status as a contractor or employee. (iv) The Company shall issue Form 1099 records for its payments to Advisor made pursuant to this Agreement. Because Advisor is an independent contractor, it is solely responsible for all taxes, withholdings, and other similar statutory obligations including, without limitation, Workers' Compensation Insurance, Unemployment Insurance, or State Disability Insurance. Advisor agrees to defend, indemnify and hold Company harmless from any and all claims made by any entity on account of a failure by Advisor to satisfy any such tax or withholding obligations. Advisor warrants that it has sought and obtained independent advice regarding the tax consequences of the payments made pursuant to this Agreement.

7. Representations and Warranties. Advisor represents and warrants that, as of the Effective Date and at all times during the term of this Agreement: (i) Advisor's performance of the Services and all terms of this Agreement will not breach any agreement that Advisor has with another party including, without limitation, any agreement to keep in confidence proprietary information acquired by Advisor in confidence or trust prior to the execution of this Agreement; (ii) Advisor is not and will not be bound by any agreement, nor has assumed or will assume any obligation, which would in any way be inconsistent with the Services to be performed by Advisor under this Agreement; (iii) in performing the Services, Advisor will not use any confidential or proprietary information of another party, or infringe the Rights of another party, nor will Advisor disclose to Company, or bring onto Company's premises, or induce Company to use any confidential or proprietary information of any person or entity other than Company or Advisor; (iv) Advisor will abide by all applicable laws and the Company's safety rules notified in writing to Advisor and in the course of performing the Advisory Services; (v) Advisor will not use or retain any other individual(s) or employee(s) in performing services for the Company except with prior written approval has been obtained from the Company.

8. Indemnity. Each party shall defend, indemnify and hold the other and its affiliates (and their respective employees, directors and representatives) harmless against any and all losses, liabilities, damages, claims, demands and suits and related costs and expenses (including, without limitation, reasonable outside attorneys' fees and court costs) arising or resulting, directly or indirectly, from (i) any act or omission of one of the parties (its employees or independent contractors) or any parties' (its employees' or independent contractors') breach of any representation, warranty or covenant of this Agreement, or (ii) infringement of any third-party intellectual property rights by the Results, Company's use of the Results or Advisor's performance of the Services, and (iii) any failure (alleged or actual) by Advisor to satisfy any of the tax or withholding obligations for Advisor or any employee or individual retained by Advisor to perform services for the Company.

9. Limit of Liability. NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER ADVISOR NOR COMPANY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES.

10. Miscellaneous.

a. Governing Law. Advisor agrees that any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. The sole jurisdiction and venue for actions related to the subject matter of the Agreement shall be the state and federal courts having within their jurisdiction the location of Company's principal place of business, and both parties hereby consent to such jurisdiction and venue and waive all objections thereto. If any provision of this Agreement is held to be illegal or unenforceable, such provision shall be limited or excluded from this Agreement to the minimum extent required, and the balance of the Agreement shall be interpreted as if such provision was so limited or excluded and shall be enforceable in accordance with its terms.

b. Assignment. This Agreement (together with all attached exhibits) shall be binding upon Advisor, and inure to the benefit of the parties hereto and their respective heirs, successors, assigns, and personal representatives; provided, however, that Advisor shall not assign any of its rights or delegate any of its duties hereunder without Company's prior written consent and any attempted assignment or delegation will be void.

c. Notices. All notices required or given under this Agreement shall be addressed to the parties at the addresses shown first hereinabove and shall be deemed given upon receipt (or, if not received sooner, three (3) days after deposit in the U.S. mails) when delivered by registered mail, postage pre-paid, return receipt requested, by facsimile (with a confirmation copy sent by registered mail) or by commercial overnight delivery service with tracking capabilities.

d. Non-Waiver. Failure by the Company to insist upon strict and punctual performance of any provision hereof shall not constitute waiver of nor estoppel against asserting the right to acquire such performance, nor shall a waiver or estoppel in one instance constitute a waiver or estoppel with respect to a later breach whether of similar nature or otherwise.

e. Arbitration. Should any dispute arise from the implementation of or relating to this Agreement, the parties shall resolve them by submitting to arbitration in accordance with the Rules of Commercial Arbitration of ADR then pertaining, unless the parties mutually agree otherwise, and pursuant to the following procedures:

f. Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement and with ADR. Three arbitrators shall be chosen. Each party shall select one arbitrator, and ADR shall select the third arbitrator. A determination by a majority of the panel shall be binding on the parties.

(i) Reasonable discovery, as determined in the sole discretion of the arbitrators, shall be allowed.

(ii) All arbitration proceedings shall be held in Los Angeles, California.

(iii) The parties agree that the issues to be resolved under any dispute shall be determined by arbitration pursuant to the provisions set forth in this Agreement and pursuant to the applicable rules of ADR then in effect insofar as such rules are not inconsistent with the provisions set forth herein.

(iv) The costs and fees of the arbitration shall be allocated by the arbitrators. The party or parties prevailing in the arbitration will be entitled, in addition to such other relief as may be granted, to reasonable attorneys' fees, if any, as shall be awarded by the arbitrators.

(v) The award rendered by the arbitrators shall be final and in writing, and judgment may be entered in accordance with applicable law and in any court having jurisdiction thereof.

g. Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable outside attorneys' fees, court costs and necessary disbursements, in addition to any other relief to which the party may be entitled.

h. Survival. The provisions of this Agreement that may be reasonably interpreted as surviving its termination, including the applicable provisions of Sections 3- 10, shall continue in effect after termination of this Agreement. Company is entitled to communicate Advisor's obligations under this Agreement to any future client or potential client of Advisor.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the first day above written.

“ADVISOR” – Boris Maslov

By: /s/ Boris A. Maslov
Name: Boris Maslov
Title: Advisor

“COMPANY” – ENER-CORE, Inc.

By: /s/ Domonic J. Carney
Name: Domonic Carney
Title: CFO

EXHIBIT A

SCOPE OF WORK and COMPENSATION

- I. **Scope of Work.** Advisory services including: Intellectual Property Consulting, Product Design, Operations, Business Development; and General advisory: Advisor shall be available to consult on non-exclusive, reasonable and as needed basis, to assist with overall strategy, management coordination and advice, introductions, business development, operations assessment and strategy plan development and corporate development. It is contemplated that advisor shall assess the Intellectual Property plan and continuing operations of Company and its related entities as well as other entities operated by Company rep including but not limited to the following services:

A. INTELLECTUAL PROPERTY

- (i) Advisor shall assist the Company evaluate its current patent filings and patent filing strategy.
- (ii) Advisor shall assist the Company to prepare for future meetings with external intellectual property counsel.
- (iii) Advisor shall assist the Company with any third party evaluation of existing and potential future intellectual property rights including Siemens and any affiliates, potential financing partners, and potential financial investors.

B. DRESSER-RAND NEGOTIATIONS AND DISCUSSION

- (i) Advisor shall assist the Company with future negotiations and discussions with Dresser-Rand, a Siemens Company (“DR”), surrounding any current or existing contracts between the Company and DR including the November 2014 Commercial License Agreement (“CLA”) and the June 2016 Commercial and Manufacturing License Agreement (“CMLA”)
- (ii) Advisor shall be available to provide insights gained between 2013 and January 31, 2017 to other members of the Company’s management, consultants, and directors.

C. GENERAL BOARD ADVISORY

- (i) Advisor shall be on call to advise the Company CEO and his Board of Directors on strategic and product decisions, operations, and other key decisions on an as needed basis by the Executive Team and the Company Board of Directors.

II. Compensation. Advisor shall be paid/earn the following compensation for the designated services rendered:

Fees: In consideration of the services to be provided in Section I, above: Company agrees to pay to Advisor a fee equal to **\$3,000 cash** for each month of service hereof payable net 10 days in arrears and an equal fee 30 days thereafter for each month of the term of Agreement. Should the consultant work more than 30 hours in either of the first two months of the engagement, 50 hours for the first two months combined, or 20 hours in any month after the second month, then any hours worked in excess shall be compensated at a rate of \$150 per hour worked.

Expenses: In addition to payment of the Fee, Company agrees to pay to Maslov all reasonable out of pocket expenses incurred by Maslov during the course of his providing the Services. Maslov shall, prior to incurring any single expense greater than \$1,000.00, secure the written approval of Company to incur such expense (email confirmation of an oral approval shall be sufficient). Maslov further agrees that if his expenses exceed \$1,500.00, in the aggregate, he will secure the written approval of Company prior to incurring any additional expenses. Maslov shall, promptly after the end of each calendar month, provide EC with an accounting of all expenses for which he seeks reimbursement and provide copies of all receipts along with an invoice for such. Company agrees to pay Maslov’s invoice for expenses within 10 days of the date of the invoice. Maslov and EC agree that until otherwise advised in writing by Company, Company’ Chief Financial Officer shall be the natural person approving Maslov’s expenses and otherwise acting as Company’s Designated Representative for purposes of Section 1(b) of the Agreement.