

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
Under the Securities Exchange Act of 1934

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Ener-Core, Inc.

(Name of Issuer)

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Common Stock, \$0.0001 par value

(Title of Class of Securities)

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29272A206

(CUSIP Number)

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Tsan San Mok  
Unit 2101, 21st Floor  
MassMutual Tower  
33 Lockhart Road  
Wanchai, Hong Kong 999077  
852-9100-9032

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(Name, address, and telephone number of Person  
authorized to Receive Notices and Communications)

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March 15, 2018

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

<b>1</b>	Name of Reporting Person Tsan San Mok	
<b>2</b>	Check the Appropriate Box if a Member of a Group (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
<b>3</b>	SEC USE ONLY	
<b>4</b>	Source of Funds OO	
<b>5</b>	Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) <input type="checkbox"/>	
<b>6</b>	Citizenship or Place of Organization Hong Kong	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	<b>7</b>	Sole Voting Power 696,056
	<b>8</b>	Shared Voting Power
	<b>9</b>	Sole Dispositive Power 696,056
	<b>10</b>	Shared Dispositive Power
<b>11</b>	Aggregate Amount Beneficially Owned by Each Reporting Person 696,056	
<b>12</b>	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares <input checked="" type="checkbox"/>	
<b>13</b>	Percent of Class Represented by Amount in Row (11) 17.05%	
<b>14</b>	Type of Reporting Person IN	

**Item 1. Security and Issuer.**

This statement relates to the Common Stock, \$0.0001 par value per share (the "Common Stock"), of Ener-Core, Inc., a Delaware corporation (the "Issuer"). The Issuer's principal executive office is located at 8965 Research Drive, Suite 100, Irvine, California 92618.

**Item 2. Identity and Background.**

(a) This statement is being filed by Tsan San Mok (the "Reporting Person").

(b) The residential address of the Reporting Person is Unit 2101, 21st Floor, MassMutual Tower, 33 Lockhart Road, Wanchai, Hong Kong 999077.

(c) The principal business of Reporting Person is that of engaging in investment in securities for his own account or the entity that he controls, Capital Union Investments Limited ("CUIL").

(d) During the last five (5) years, the Reporting Person has not been convicted in a criminal proceeding (excluding traffic violations or similarly misdemeanors).

(e) During the last five (5) years, the Reporting Person has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The Reporting Person is a citizen of Hong Kong.

**Item 3. Source and Amount of Funds or Other Consideration.**

The Reporting Person has purchased the Common Stock beneficially owned by him using \$591,647.60 of the loan proceeds he received from a loan (the "Loan") from SQ Investment Fund II, LLC ("Lender"). The Loan is evidenced by that certain Secured Promissory Note (the "Note") attached hereto as Exhibit 99.1. The Note is secured by that certain Stock Pledge Agreement ("Pledge Agreement") between the Reporting Person and Lender (a copy of which is attached hereto as Exhibit 99.2). Under the Pledge Agreement, the Reporting Person has pledged the shares of Common Stock reported hereby as collateral for the Loan. In addition, the obligations of the Reporting Person under the Note are guaranteed by CUIL pursuant to that certain Secured Guaranty (the "Guaranty") attached hereto as Exhibit 99.3. The Guaranty is secured by that certain Guarantor Security Agreement between Lender and CUIL (a copy of which is attached hereto as Exhibit 99.4).

**Item 4. Purpose of the Transaction**

The Reporting Person holds the shares of Common Stock reported in this Schedule 13D for general investment purposes. Depending among many factors, including overall market conditions, other investment opportunities available to the Reporting Person, and the availability of securities of the Issuer at prices that would make the purchase or sale of such securities desirable, the Reporting Person may endeavor to increase or decrease the positions in the Issuer through, among other things, the purchase or sale of securities of the Issuer on the open market or in private transactions or otherwise on such terms and at such times as the Reporting Person may deem advisable.

Except as set forth herein, the Reporting Person has no present plan or proposal which would relate to or result in any of the matters set forth in subparagraph (a) – (j), inclusive, of Item 4 of Schedule 13D.

**Item 5. Interest in Securities of the Issuer.**

(a) As of the date of this filing, the Reporting Person beneficially owns 696,056 shares (the "Shares"), or approximately 17.05%, of the outstanding Common Stock of the Issuer. The percentage of Common Stock reported owned by the Reporting Person is based upon 4,081,393 shares of Common Stock outstanding, which is the total number of shares of Common Stock outstanding as disclosed on the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 17, 2017. The Reporting Person previously loaned the Issuer \$500,000 pursuant to that certain Convertible Unsecured Note ("Issuer Note") dated September 1, 2016. The Issuer Note is currently convertible into Common Stock at a conversion price of \$2.50 per share. In connection with the Issuer Note, the Issuer also issued the Reporting Person five Warrants to Purchase Common Stock (the "Warrants") covering in the aggregate 150,000 shares of Common Stock, each warrant currently with an exercise price of \$3.00 per share. The Reporting Person is prevented from converting the Issuer Note or exercising any of the Warrants under the terms of such instruments until the Reporting Person beneficially holds less than 10% of the Common Stock and, therefore, the shares issuable upon conversion and exercise thereof are not included in the shares beneficially owned by the Reporting Person.

(b) The Reporting Person has sole power to vote the Shares and has sole power to dispose of the Shares.

(c) Except for the purchase of the Shares in a private transaction on March 15, 2018, no transactions in the Common Stock were effected during the past 60 days by the Reporting Person.

(d) To the knowledge of the Reporting Person, no other person is known to have the right to receive or the power to direct the receipt of dividends from, the proceeds from the sale of, the Shares.

(e) No applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

Except as provided in Items 3 and 5, the Reporting Person has no contracts, arrangements, understandings or relationships with respect to the securities of the Issuer.

**Item 7. Material to be Filed as Exhibits.**

[Exhibit 99.1 - Secured Promissory Note dated as of March 15, 2018 issued by the Reporting Person to SQ Investment Fund II, LLC \("Lender"\).](#)

[Exhibit 99.2 - Stock Pledge Agreement dated as of March 15, 2018 by and between the Reporting Person and Lender.](#)

[Exhibit 99.3 - Secured Guarantor made as of March 15, 2018 by Capital Union Investments Limited \("CUIL"\) for the benefit of Lender.](#)

[Exhibit 99.4 - Guarantor Security Agreement entered into as of March 15, 2018 by and between CUIL and Lender.](#)

After reasonable inquiry and to the best of his knowledge and belief, the undersigned each certifies that the information with respect to him set forth in this Statement is true, complete and correct.

Dated: March 26, 2018

/s/ Tsan San Mok  
Tsan San Mok

**SECURED PROMISSORY NOTE**

\$2,000,000.00

Date of Note: March 15, 2018

FOR VALUE RECEIVED, MOK TSAN SAN, an individual (the “**Maker**”), promises to pay to the order of SQ Investment Fund II, LLC, a California limited liability company (“**Payee**”), or its assigns, the sum of TWO MILLION DOLLARS (\$2,000,000.00) and to pay interest thereon at the rate of ten percent (10.0%) per annum (the “**Interest Rate**”) from the date hereof until this Secured Promissory Note (as amended, modified or supplemented from time to time, this “**Note**”) is fully paid. This Note represents Seven Hundred Thousand Dollars (\$700,000) previously loaned by Payee to Maker, and One Million Three Hundred Thousand Dollars (\$1,300,000) loaned by Payee to Maker in connection herewith.

This Note is subject to the terms and conditions set forth below:

**I. DEFINITIONS.**

As used in this Note, the following terms shall mean:

“**Event of Default**” shall have the meaning given such term in Section V below.

“**Guaranty**” shall mean that Secured Guaranty of even date herewith executed by Capital Union Investments Limited (“**CUIL**”) in favor of Payee.

“**Guaranty Security Agreement**” shall mean that certain Guarantor Security Agreement, dated as of the date hereof, by and between CUIL and Payee, as amended, modified or supplemented from time to time.

“**Maturity Date**” means the first anniversary of the date first above written.

“**Note**” shall mean this Secured Promissory Note, as amended, modified or supplemented from time to time, and any note delivered in substitution or exchange therefor as provided herein.

“**Pledge Agreement**” shall mean that certain Stock Pledge Agreement, dated as of the date hereof, by and between the Maker and Payee, as amended, modified or supplemented from time to time.

**II. PRINCIPAL AND INTEREST**

2.1 **Interest.** Beginning on the date hereof, the unpaid principal amount hereof shall accrue interest at the Interest Rate; provided, however, during the occurrence and continuation of an Event of Default, the Interest Rate shall be increased two percent (2%) per annum. Accrued interest on this Note shall be due and payable upon August 31, 2018 and the Maturity Date (unless provided earlier under Section V). All computations of interest shall be made by Payee on the basis of a 360-day year, for the actual number of days elapsed in the relevant period (including the first day but excluding the last day).

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2.2 **Principal.** Subject to Section V, all principal shall be due and payable on the Maturity Date.

2.3 **Late Payment.** Any payment of principal or interest not paid within five (5) business days after its due date shall be subject to a five percent (5%) charge on the unpaid payment.

2.4 **No Excess Interest.** In no event shall Payee be entitled to interest exceeding the maximum rate permitted by law. If any excess interest is provided for or shall be adjudicated to be so provided for in this Note, then in such event: (i) the provisions of this paragraph shall govern and control; (ii) the Maker shall not be obligated to pay the amount of such interest or other payment or consideration to the extent that it is in excess of the maximum amount permitted by law, and the same shall be construed as a mutual mistake of the parties; and (iii) any such excess which may have been collected or attributed shall, at the option of Payee, be subtracted from the then unpaid principal amount hereof, or refunded to the Maker.

2.5 **Miscellaneous.** Both principal hereof and interest thereon are payable at such place as Payee may from time to time designate in writing, in lawful money of the United States of America and in immediately available funds by wire transfer.

### III. SECURITY AND GUARANTY

3.1 **Security.** This Note is secured by the Pledge Agreement.

3.2 **Guaranty.** This Note is guaranteed by that the Guaranty.

### IV. REPLACEMENT OF NOTE.

Upon receipt of evidence reasonably satisfactory to the Maker of the ownership of and the loss, theft, destruction or mutilation of this Note and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement in an amount reasonably satisfactory to the Maker, or (in the case of mutilation) upon surrender and cancellation of the mutilated Note, the Maker will execute and deliver, in lieu thereof, a new Note of like tenor.

### V. EVENTS OF DEFAULT.

The occurrence and continuation of any of the events or conditions described in Section 5.1 or Section 5.2 shall be an "Event of Default."

5.1 **Payee Action.** The occurrence of any of the following Events of Default shall, at the option of Payee, entitle Payee to declare all sums of principal and interest then remaining unpaid, and all other amounts payable hereon, due and payable, all without demand, presentment, notice or protest, all of which hereby are expressly waived, and permit Payee to exercise any other right available to it under this Note, the Pledge Agreement and/or the Guaranty or otherwise available to it at law or in equity, all of which rights and powers may be exercised cumulatively.

5.1.1 Failure to Pay Principal or Interest. Failure to pay any payment of principal or interest hereon within five (5) days of the date when due.

5.1.2 Breach of Covenants by Maker. The breach by the Maker of any covenant in the Note or the Pledge Agreement that is not cured within thirty (30) days after written notice thereof to the Maker.

5.1.3 Breach of Covenants by CUIL. The breach by CUIL of any covenant in the Guaranty or the Guarantor Security Agreement.

5.1.4 Breach of Representations and Warranties.

(a) Any of the representations or warranties of the Maker made in the Pledge Agreement or in any statement or certificate at any time given in writing to Payee pursuant to the Pledge Agreement or this Note or in connection therewith or herewith, shall prove to have been false or misleading in any respect as of the date such representations and warranties were made.

(b) Any of the representations or warranties of CUIL made in the Guarantor Security Agreement or in any statement or certificate at any time given in writing to Payee pursuant to the Guarantor Security Agreement shall prove to have been false or misleading in any respect as of the date such representations and warranties were made.

5.1.5 Judgments. The making or filing of any money judgment, writ or similar process in excess of Fifty Thousand Dollars (\$50,000) against the Maker or any of the property or other assets of the Maker which shall remain unsatisfied, unvacated, unhanded or unstayed until the date that is the earlier to occur of thirty (30) days after such judgment, writ or similar process is entered and five (5) days prior to the date of any proposed sale thereunder.

5.1.6 Default in Other Agreements. The occurrence of any event of default or other event triggering acceleration of any indebtedness by the Maker or CUIL under any note, agreement or other instrument involving the issuance of indebtedness (but not including any trade payables incurred in the ordinary course of business), whether such indebtedness now exists or may hereafter be created, if, as a result of such event of default or other event, the maturity of such indebtedness has been accelerated or has otherwise become or been declared to be due prior to its stated maturity and the principal amount of such indebtedness which has been accelerated or has otherwise become or been declared to be due exceeds, individually or in the aggregate, Fifty Thousand Dollars (\$50,000).

5.1.7 Attachments. The levying of any writ of attachment against any property or other assets of the Maker not fully covered by insurance in force valued individually or in the aggregate at an amount equal to or greater than Fifty Thousand Dollars (\$50,000) unless the Maker posts a bond or obtains other relief for the release of such attachment within sixty (60) days.

5.1.8 Pledge Agreement. The Pledge Agreement or any provision thereof shall cease to be enforceable in any manner, or Payee shall not have or shall cease to have a valid and perfected security interest in the collateral described in the Pledge Agreement.

5.1.9 Guarantor Security Agreement. The Guarantor Security Agreement or any provision thereof shall cease to be enforceable in any manner, or CUIL shall not have or shall cease to have a valid and perfected security interest in the collateral described in the Guarantor Security Agreement.

**5.2 Acceleration Without Specific Action** . The occurrence of any of the following Events of Default shall make all sums of principal and interest then remaining unpaid and all other amounts payable hereon due and payable, all without demand, presentment, notice or protest, all of which hereby are expressly waived, and permit Payee to exercise any other right available to it at law or in equity, all of which rights and powers may be exercised cumulatively.

5.2.1 Bankruptcy. The voluntary institution of bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors by the Maker or CUIL; or the institution of any such proceedings against the Maker or CUIL, which involuntary proceedings shall not have been vacated by appropriate court order within sixty (60) days of such institution.

5.2.2 Insolvency, Receiver or Trustee. The making by the Maker or CUIL of an assignment for the benefit of creditors; or the making by the Maker or CUIL of an offer of settlement, composition or extension to the claims of all or substantially all of the creditors of the Maker or CUIL or the application for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business; or the appointment otherwise of such a receiver or trustee or a committee of creditors of the Maker or CUIL.

## **VI. TRANSFER OF SECURITIES.**

Subject to the restrictions on transfer contained in the Agreement, this Note and all rights hereunder are transferable in whole or in part on the books of the Maker maintained for such purpose at its principal office referred to above by Payee in person or by a duly authorized attorney, upon surrender of this Note properly endorsed and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Each taker and holder of this Note, by taking or holding the same, consents and agrees that this Note when endorsed in blank shall be deemed negotiable and agrees that when this Note shall have been so endorsed, Payee hereof may be treated by the Maker and all other persons dealing with this Note, as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, or to the transfer hereof on the books of the Maker, any notice to the contrary notwithstanding; but until such transfer on such books, the Maker may treat Payee hereof as the owner for all purposes.

## VII. NOTICES; METHODS; ADDRESSES.

All notices and other communications under or in connection with this Note shall be in writing and shall be deemed given (a) if delivered personally, upon delivery, (b) if delivered by registered or certified mail (return receipt requested), upon actual delivery, (c) if delivered by email, upon transmission thereof, (c) if sent for overnight delivery by Federal Express, DHL or other globally recognized delivery service, upon confirmation of delivery from the globally recognized delivery service), in each case to the parties at the following addresses:

- (a) If to Payee: SQ Investments, LLC  
870 Orlando Road  
San Marino, California 91108  
Attention: Anthony Tang  
Email:
- With copy to: O'Neil, LLP  
1990 MacArthur Blvd., Ste. 1050  
Irvine, California 92612  
Email:  
Attention: John D. Hudson
- (b) If to the Maker: Mok Tsan San  
Unit 2101, 21st Floor  
MassMutual Tower  
33 Lockhart Road  
Wanchai, Hong Kong  
Email:

Any party may change its address for this purpose by giving a written notice thereof as herein provided.

## VIII. MISCELLANEOUS.

**8.1 Survival of Covenants.** All agreements and covenants made herein shall survive the execution and delivery hereof.

**8.2 Failure or Indulgence Not Waiver.** No failure or delay on the part of Payee or any other holder of this Note to exercise any right, power or privilege under this Note and no course of dealing between the Maker and Payee shall impair such right, power or privilege or operate as a waiver of any default or an acquiescence therein, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that Payee would otherwise have. No notice to or demand on the Maker in any case shall entitle the Maker to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of Payee to any other or further action in any circumstances without notice or demand.

**8.3 Cost of Collection.** The Maker agrees to indemnify Payee against any losses, claims, damages and liabilities and related expenses, including counsel fees and expenses, incurred by Payee in connection with the collection and enforcement of this Note (including, without limitation, in connection with any bankruptcy, insolvency, reorganization or workout). In addition, the Maker agrees to pay, and to save Payee harmless from all liability for, any stamp or other documentary taxes which may be payable in connection with the Maker's execution or delivery of this Note.

All payments made by the Maker under this Note shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on Payee as a result of a present or former connection between Payee and the jurisdiction of the governmental authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from Payee having executed, delivered or performed its obligations or received a payment under, or enforced, this Note). If any such non-excluded taxes, levies, imposts, duties, charges, fees deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to Payee under this Note, the amounts so payable to Payee shall be increased to the extent necessary to yield to Payee (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Note. Whenever any Non-Excluded Taxes are payable by the Maker, as promptly as possible thereafter (and, in any event, within five (5) business days) the Maker shall send to Payee for its own account a certified copy of an original official receipt received by the Maker showing payment thereof. If the Maker fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to Payee the required receipts or other required documentary evidence, the Maker shall indemnify, defend and hold Payee harmless for any incremental taxes, interest or penalties that may become payable by Payee as a result of any such failure.

The agreements in this Section 8.3 shall survive the termination of this Note and the payment of the loan and all other amounts payable hereunder.

**8.4 Governing Law.** This Note has been executed in and shall be governed by the laws of the State of California, without regard to it conflict of laws principles. As part of the consideration for Payee's loan to the Maker, the Maker and Payee hereby agree that all actions or proceedings arising directly or indirectly hereunder, whether instituted by Payee or the Maker, shall be brought exclusively in any federal or state court located within the State of California, County of Los Angeles and the Maker and the Payee expressly consent to the exclusive jurisdiction of any state or federal court located within said state and county, and waives any defense of forum non conveniens and irrevocably agrees to be bound by any judgment rendered thereby in connection with this note. Maker consents that any service of process in such action or proceeding may be made by personal service upon the Maker wherever the Maker may be located, or by certified or registered mail directed to the Maker at its last known address.

**8.5 Modification.** Neither this Note nor any provision hereof may be amended, modified, waived, discharged or terminated with respect to Payee unless agreed to in writing by the holder of this Note and the Maker.

**8.6 Severability.** Whenever possible, each provision of this Note will be interpreted in such manner as to be effective and valid under applicable law, but, if any provision of this Note is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Note.

**8.7 Further Assurance.** At any time or from time to time upon the request of Payee, the Maker will execute and deliver such further documents and do such other acts and things as Payee may reasonably request in order fully to effectuate the purposes of this Note, and to provide for the payment of the principal and interest due hereunder.

**8.8 Successors.** The Maker may not pledge, assign or transfer any of its rights or obligations under this Note without the prior written consent of Payee. Any purported assignment or transfer in breach of this Note shall be of no force and effect. Payee may assign this Note to any Person. Each reference herein to powers or rights of Payee shall also be deemed a reference to the same power or right of such assignees, to the extent of the interest assigned to them. All the covenants, agreements, representations and warranties contained in this Note shall bind the Maker and the Payee and their respective heirs, executors, administrators, successors and assigns.

**8.9 Headings.** The section headings in this Note are inserted for purposes of convenience only and shall have no substantive effect.

**8.10 No Strict Construction.** The Maker hereby waives the benefit of any statute or rule of law or judicial decision, including without limitation California Civil Code § 1654, which would otherwise require that the provisions of this Note be construed or interpreted most strongly against the party responsible for the drafting thereof.

**IN WITNESS WHEREOF**, the Maker has caused this Note to be signed and delivered by its duly authorized officer and to be dated as of the date first above written.

**MAKER:**

**MOK TSAN SAN**

/s/ Mok Tsan San

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Mok Tsan San

**STOCK PLEDGE AGREEMENT**

THIS STOCK PLEDGE AGREEMENT is made and entered into as of March 15, 2018 (this “**Agreement**”) by and between Mok Tsan San (“**Pledgor**”) and SQ Investment Fund II, LLC (“**Lender**”).

**RECITALS**

A. Pledgor owns certain of the issued and outstanding shares of Ener-Core, Inc., a Delaware corporation (the “**Company**”).

B. Pursuant to a Secured Promissory Note of even date herewith in the principal amount of \$2,000,000 executed by Pledgor in favor of Lender (the “**Note**”). The Note and this Agreement are collectively referred to herein as the “**Loan Documents**”.

D. It is a condition precedent to Lender making a Loan to Pledgor that Pledgor shall have granted the security and undertaken the obligations contemplated by this Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Pledgor, Pledgor hereby agrees with Lender as follows:

1. **Pledge.** Pledgor hereby grants, pledges and gives to Lender, its permitted successors and permitted assigns, a continuing lien and security interest in all of its right, title and interest, now or hereafter existing, in, to and under: (a) the issued and outstanding shares of the common stock more particularly described in Schedule A attached hereto and incorporated herein by reference (the “**Pledged Shares**”); (b) any and all additional shares of capital stock or other securities or other property (excluding cash dividends, if any, regardless of whether declared) which may be issued or otherwise acquired or received by Pledgor in respect of, in exchange for, or in substitution for the Pledged Shares, as well as any and all other property which may be delivered to and held in pledge by Lender pursuant to the terms hereof; and (c) any and all proceeds from the sale, exchange or disposition of the securities and property described in clauses (a) and (b) above. The property referred to in clauses (a) through (c) above is sometimes collectively referred to herein as, the “**Collateral**.”

2. **Obligations.** This Agreement secures, and Pledged Shares are collateral security for: (i) the due and punctual performance of all covenants and obligations of Pledgor under each of the Loan Documents; and (ii) the payment of the costs and expenses that may be incurred by Lender in connection with the administration and enforcement of this Agreement and the realization on the security provided for by this Agreement or in connection with any proceeding to which this Agreement may give rise (including, without limitation, the reasonable fees and disbursements or legal counsel for Lender), (all such obligations set forth in clauses (i) and (ii) above being hereinafter collectively called, the “**Obligations**”), by means of the pledge of the Pledged Shares.

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3. **Representations and Warranties.** Pledgor expressly represents and warrants to Lender as follows:

3.1 **Authority.** Pledgor has full power and authority to execute, deliver and perform this Agreement and to grant to Lender the security interest in the Collateral created hereby, and all consents relating thereto have been obtained.

3.2 **Status of Pledged Shares.** The Pledged Shares are fully paid and nonassessable, duly and validly authorized and issued and, upon execution and delivery of this Agreement, will be duly and validly pledged to Lender in accordance with all provisions of applicable law.

3.3 **Title.** Pledgor has and will continue to have good and marketable title to, and is the legal and beneficial owner of, the Pledged Shares pursuant to the terms of this Agreement free and clear of all mortgages, pledges, liens, charges, security interests and encumbrances, other than as created by this Agreement.

3.4 **Validity; Priority.** Upon the execution and delivery of this Agreement, Lender shall have a valid and enforceable first lien and security interest in and to the Collateral. Such lien and security interest shall be superior to the rights of all other persons in the Collateral.

3.5 **Conflicts.** The execution, delivery and performance of this Agreement and the granting of a valid and enforceable lien and security interest in the Collateral will not violate: (a) any provision of law or any order, rule or regulation of any court or other governmental agency or authority or regulatory body to which Pledgor is subject; (b) any provision of any indenture, agreement, mortgage, contract or other instrument to which Pledgor is a party or by which any of his properties, assets or revenues are bound; or (c) be in conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under, any such indenture, agreement, mortgage, contract or other instrument.

3.6 **Enforceability.** This Agreement constitutes the legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms.

3.7 **Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of Pledgor, threatened against or affecting Pledgor at law or in equity, before any Federal or state court or arbitration board or before any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that involve any transactions contemplated hereby or the possibility of any judgment or liability that might have a material and adverse effect on the value of the Collateral.

4. **Covenants.** Pledgor hereby covenants and agrees with Lender as follows:

4.1 **Deposit of Additional Securities.** Pledgor will cause any additional securities or other properties (excluding cash dividends, if any, regardless of whether declared) with respect to the Pledged Shares, issued to or received by Pledgor with respect to any of the Collateral, whether for value paid by Pledgor or otherwise, to be forthwith deposited with and pledged to Lender hereunder, such additional securities or properties to be accompanied by proper instruments of assignment duly executed in blank by Pledgor or as Lender may, in its sole and absolute discretion, request.

4.2 **Defense of Title**. Pledgor agrees, at its sole cost and expense, to defend Lender's right, title, lien and security interest in and to the Collateral against the claims, rights, equities, liens and demands of all persons. So long as this Agreement remains in effect, Pledgor shall not sell, assign, transfer or pledge the Pledged Shares or any other Collateral, or any interest therein.

4.3 **Other Liens**. Except for the lien and security interest granted by this Agreement, the Collateral is now, and at all times will be, maintained by Pledgor free and clear of all liens, security interests, charges, pledges or encumbrances.

4.4 **Taxes; Assessments**. Pledgor has made, and will continue to make, payment or deposit, or otherwise has provided and will provide for the payment, when due, of all taxes, assessments or contributions or other public or private charges which have been or may be levied or assessed against Pledgor with respect to any of the Collateral, and will deliver to Lender, on demand, certificates or other evidence satisfactory to Lender attesting thereto.

4.5 **Further Assurances**. Pledgor will, at its sole cost and expense, perform all acts and execute all documents reasonably requested of Pledgor by Lender from time to time to evidence, perfect, maintain or enforce Lender's lien and security interest in the Collateral granted hereby, or otherwise in furtherance of the provisions of this Agreement, and the transactions contemplated hereby, including, without limitation, any act which may be required to effect a sale or other disposition of the Collateral.

4.6 **Expenses**. Pledgor shall reimburse Lender for any and all reasonable sums, costs and expenses which Lender has paid, or may pay or incur, pursuant to the provisions of this Agreement or in defending, protecting or enforcing this Agreement, including, but not limited to, court costs, collection charges, reasonable fees and disbursements of Lender's legal counsel, and all costs incurred with respect to any sale, transfer or other disposition of the Collateral, all of which shall be included in and be a part of the Obligations, and shall be payable on demand.

4.7 **Financing Statement (UCC-1)**. Pledgor hereby authorizes Lender to file a financing statement on Form UCC-1 with respect to the Collateral with the Delaware Secretary of State, and such other instruments as Lender or its legal counsel may reasonably require in order to effect and perfect the pledge to Lender as contemplated hereunder.

4.8 **Delivery of Certificates**. Pledgor shall deliver the original certificate representing the Pledged Shares to Lender.

5. **Defaults**. The occurrence of any of the following shall constitute an event of default (a "**Default**") under this Agreement:

5.1 **Pledge Agreement**. Pledgor's failure to perform, or the violation of, any provision, agreement, condition, term or covenant of this Agreement not cured within thirty (30) days following written notice thereof; and

5.2 **Note**. The failure by Pledgor to perform any agreement, covenant or obligation under the Note not cured within the time periods, if any, permitted therein.

6. **Voting Rights, Dividends, Etc.** Subject to Section 7 hereof, and prior to the occurrence of a Default, Pledgor shall be entitled to: (a) vote the Pledged Shares; (b) give consents, waivers and ratifications with respect thereto; and (c) otherwise act with respect to the Pledged Shares as though Pledgor were the outright owner thereof. Upon the occurrence of a Default, all rights of Pledgor under this Section 6 shall immediately cease and all such rights shall immediately become vested in Lender.

7. **Remedies Upon Default.** After a Default shall have occurred, Lender may, without notice to or demand upon Pledgor, take the actions set forth below.

7.1 **Remedies Provided by Applicable law.** Lender may, exercise any remedies available to a secured party under applicable law.

7.2 **Foreclosure Sale.** Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale, without further notice, may be made at the time and place to which the same was so adjourned.

(a) At any sale made pursuant to this Agreement, Lender may bid for or purchase, free from any rights of redemption, stay or appraisal on the part of Pledgor (all said rights being hereby unconditionally and irrevocably waived and released by Pledgor to the extent permitted by law), any part or all of the Collateral offered for sale and may make payment on account thereof by using any of the Obligations as a credit against the purchase price, and Lender may, upon compliance with the terms of the sale, hold, retain and dispose of such property without further accountability to Pledgor.

(b) As an alternative to exercising the power of sale herein conferred upon it, Lender may proceed by a suit or suits at law or in equity to foreclose against any of the Collateral pledged pursuant to this Agreement and to sell the Collateral, or any portion thereof, pursuant to a judgment or decree of a court or courts of competent jurisdiction. In the event of any sale or alternative thereto hereunder, Lender shall, after deducting all costs and expenses of every kind for care, safekeeping, collection, sale, deliver, legal proceedings (including, without limitation, the fees and disbursements of legal counsel) or otherwise apply the residue of the proceeds of the sale, together with any other moneys at the time held by it hereunder, as set forth in Section 12 hereof.

8. **Securities Laws.** In the event that a question arises under the Securities Act of 1933, as now or hereafter in effect, or any similar Federal statute hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect hereinafter called the "**Federal Securities Laws**"), with respect to any disposition of the Pledged Shares, Pledgor understands that compliance with the Federal Securities Laws may severely restrict and limit Lender's conduct in attempting to dispose of all or any part of the Pledged Shares and may also limit the extent to which and the manner in which any subsequent transferee of any of the Pledged Shares may dispose of the same.

9. **Lender Appointed Attorney-in-Fact**. Pledgor hereby irrevocably appoints Lender as its attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which Lender may, in its sole and absolute discretion, deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest, but such attorney-in-fact shall not be effective until a Default shall have occurred. Without limiting the generality of the foregoing, Lender shall have the right and power, if a Default shall have occurred to: (a) ask for, demand, collect, sue for, receive, endorse and collect all checks and other orders for the payment of money made payable to Pledgor representing any interest or dividend or other distribution payable in respect of the Pledged Shares or any part thereof and to give full discharge for the same; (b) give any necessary receipts for amounts collected or received by Lender pursuant to this Agreement and make all necessary transfers of all or any part of the Collateral in connection with any sale or other disposition thereof made pursuant to this Agreement, and for that purpose to execute all necessary instruments of assignment and transfer; (c) commence and prosecute any and all suits, actions or proceedings in law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any part of the Collateral or to enforce any rights in respect thereof; and (d) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to any or all of the Collateral.

10. **Waiver of Rights by Pledgor; Delay by Lender Not a Waiver**.

10.1 **Waiver**. To the full extent that it may lawfully so agree, Pledgor will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law, as now or hereafter in force or effect, in order to prevent or delay the enforcement of this Agreement or the sale of all or any portion of the Collateral, or the possession thereof by any purchaser at any sale; and Pledgor, for itself, and all parties claiming by, through and under it, to the extent permitted by law, hereby unconditionally and irrevocably waives the benefit of all such laws. Pledgor, for itself and all parties claiming, by, through or under it, to the extent permitted by law, also unconditionally and irrevocably waives all right to have all or any portion of the Collateral marshalled upon any foreclosure thereof and agrees that any court having jurisdiction over this Agreement may order the sale of all or any portion of the Collateral. Any sale of all or any part of the Collateral in accordance with this Agreement shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of Pledgor in and to the Collateral so sold, optioned or realized upon, and shall be a perpetual bar both at law and in equity against Pledgor and against any and all persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under Pledgor. Pledgor hereby unconditionally and irrevocably waives presentment, notice of dishonor and protest of any instruments included in or evidencing any of the Obligations or the Collateral.

10.2 **Delay Not a Waiver**. To the extent permitted by law, no delay on Lender's part in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon Pledgor with respect to any power of sale, lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the right of Lender to take any action or to exercise any power of sale, lien, option or any other right under this Agreement, or otherwise, nor shall any single or partial exercise of any such power of sale, lien, option or other right preclude any other or further exercise thereof, or the exercise of any power, lien, option or other right under this Agreement or otherwise, all without notice or demand (except such notice as is otherwise required by this Agreement), nor shall any of the same prejudice the rights of Lender as against Pledgor in any respect. Any waiver must be in writing and be signed by the party or parties against whom the waiver is sought.

11. **Remedies Unlimited.** Lender shall have the right to sell all or any part of the Collateral at such time and in such order as it may elect, in its sole and absolute discretion, or to enforce any one or more remedies, individually or cumulatively, relative hereto either successively or concurrently, and Pledgor hereby agrees that the liens, options and other rights hereby given to Lender shall remain unimpaired and unprejudiced and that the enforcement of any remedy shall not operate to bar or estop Lender from exercising any other right or remedy. Each and every remedy of Lender shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

12. **Application of Proceeds of Sale and Other Property.** The proceeds of any sale of Collateral sold pursuant to this Agreement shall be applied by Lender as follows:

FIRST: to the payment of all costs and expenses incurred by Lender in connection with such sale, including, but not limited to, the reasonable fees and expenses of legal counsel for Lender incurred in connection therewith, and to the payment of all advances made by Lender hereunder for the account of Pledgor and the payment of all costs and expenses paid or incurred by Lender upon the exercise of any right or remedy hereunder, under the Note or this Agreement; and

SECOND: to the payment in full or reduction of the Obligations (to the extent not previously paid).

Amounts remaining after payment in full of the Obligations shall be remitted to Pledgor. If Lender sells any of the Pledged Shares or other Collateral hereunder and the proceeds thereof exceed the amount necessary to reimburse Lender for all damages and other amounts to which it is then entitled, Lender shall remit such amounts to Pledgor.

13. **Indemnification.** Pledgor agrees to indemnify, defend and hold harmless Lender (to the full extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including, without limitation, liabilities for penalties) of whatever nature with respect to this Agreement the Note, the Obligations or the Collateral, and to reimburse Lender for all out-of-pocket costs and expenses, including, without limitation, legal fees and disbursements with respect thereto.

14. **Pledgor Not Discharged.** The obligations of Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and, to the extent permitted by law, shall not be released, discharged or in any way affected by: (a) any amendment, modification or waiver of any provision of the Loan Documents, any other instrument evidencing any part of the Obligations; (b) any exercise or non-exercise of any right, remedy, power or privilege under or in respect of this Agreement or any other instrument evidencing any part of the Obligations or with respect to applicable law; (c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding of, or affecting, Pledgor; or (d) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of Pledgor or would otherwise operate as a discharge of Pledgor as a matter of law.

15. **Termination.** The lien and security interests created by this Agreement shall terminate on the date when both: (a) the Note and the obligations under this Agreement have been paid and/or performed in full; and (b) all Obligations secured hereby shall have been fully paid, together with any interest thereon, at which time Lender shall reassign and redeliver (or cause to be so reassigned and redelivered), without recourse upon or warranty by Lender, and at the sole expense of Pledgor, to Pledgor, against receipt therefor, such of the Collateral, if any, as shall not have been sold or otherwise applied by Lender pursuant to the terms hereof and not theretofore reassigned and redelivered to Pledgor, together with appropriate instruments of reassignment and release. Any indemnities of Lender by Pledgor contained herein shall survive the termination of this Agreement.

16. **Miscellaneous.**

16.1 **Severability.** Any provision of this Agreement prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, or modified to the minimum extent necessary to conform with such laws, without invalidating the remaining provisions of this Agreement, and any such prohibition in one jurisdiction shall not invalidate such provision in any other jurisdiction. If such prohibition or unenforceability has an economic effect adverse to Lender, then the parties shall negotiate in good faith an equivalent economic benefit to Lender.

16.2 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed therein, without reference to the choice of law provisions thereof.

16.3 **Venue.** The parties (a) hereby irrevocably and unconditionally submit to the exclusive jurisdiction of any federal or state court located in Los Angeles, California for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in such courts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

16.4 **Successors and Assigns.** This Agreement shall be binding upon and inure the benefit of the parties hereto and their respective successors and assigns; provided, however, that Pledgor shall not assign any of its rights, or delegate any of its duties or obligations under this Agreement without the prior written consent of Lender.

16.5 **Entire Agreement; Amendment.** This Agreement supersedes all prior agreements among the parties with respect to its subject matter, is intended as a complete and exclusive statement of the terms and the agreement among the parties with respect thereto, and cannot be amended, modified, changed or terminated except by a written instrument executed by the party or parties against whom enforcement thereof is sought.



IN WITNESS WHEREOF, the parties have executed this Stock Pledge Agreement as of the day and year first above written.

“PLEDGOR”

/s/ Mok Tsan San

Mok Tsan San

“LENDER

SQ INVESTMENT FUND II, LLC

By: /s/ Anthony Tang

Anthony Tang, Manager

**SCHEDULE A**

**PLEDGED SHARES**

<b>Registered Owner</b>	<b>Certificate Number</b>	<b>Number of Shares</b>
Mok Tsan San	648	696,056 shares of Common Stock of Ener-Core, Inc., a Delaware corporation

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SCHEDULE A

SECURED GUARANTY

**(Capital Union Investments Limited)**

THIS SECURED GUARANTY (this “**Guaranty**”) is made as of March 15, 2018 by Capital Union Investments Limited (“**Guarantor**”), for the benefit of SQ Investment Fund II, LLC (“**Lender**”), with reference to the following facts:

A. Mok Tsan San, an individual (“**Borrower**”), has executed that certain Secured Promissory Note (the “**Note**”) of even date herewith in favor of Lender.

B. Borrower owns all of the outstanding equity interests in the Guarantor and, for business reasons significantly beneficial to Guarantor, desires to guarantee the obligations of the Borrower under the Note.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Guarantor agrees as follows:

1. Guarantor unconditionally, absolutely and irrevocably guarantees to Lender the punctual payment and performance of all of the obligations of the Borrower to Lender under the Note, and under all modifications and amendments thereof. All such obligations are referred to in this Guaranty as the “**Indebtedness**” and will be payable and performable by Guarantor to Lender, without deduction, offset, defense or counterclaim.

2. This Guaranty is an absolute, unconditional and irrevocable guaranty of payment and performance of the Indebtedness (and not merely of collection) pursuant to the terms, conditions and covenants herein.

3. Guarantor agrees that Lender may at any time without consent of, or notice to, Guarantor, and without impairing or releasing the obligations of Guarantor hereunder:

- (a) Change the manner, place or terms of payment, and/or change or extend the time of payment of, or renew or alter, any of the Indebtedness and/or any security therefor;
- (b) Sell, exchange, release, surrender, realize upon or otherwise deal with in any manner any property at any time securing the Indebtedness;
- (c) Exercise or refrain from exercising any rights against the Borrower or others (including Guarantor or any other guarantors of the Indebtedness) or otherwise act or refrain from acting; or
- (d) Settle, compromise or subordinate any Indebtedness or any security therefor.

4. Guarantor assumes the full responsibility for being and keeping himself informed of the financial condition and assets of the Borrower and of all other circumstances bearing upon the risk of nonpayment of the Indebtedness which diligent inquiry would reveal.

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5. Guarantor waives: (a) all presentments, demands for performance, notices of nonperformance, protests, and all other notices, including notices of all of the following: protest, dishonor, acceptance of this Guaranty, any default, partial payment or nonpayment of all or any part of the Indebtedness and the existence, creation or incurring of new or additional Indebtedness; (b) the benefits of any laws which provide that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduce a guarantor's obligation in proportion to the principal obligation; and (c) any defense arising by reason of the invalidity, illegality or lack of enforceability of the Indebtedness or any part thereof, or by reason of any lack of authority, bankruptcy or other defense of the Borrower or any other person, or by reason of the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of the Borrower or any other person, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other person with respect to all or any part of the Indebtedness, or by reason of any act or omission of Lender or others which directly or indirectly results in the discharge or release of the Borrower or any other person or any Indebtedness or any security therefor, whether by operation of law or otherwise.

6. Guarantor hereby waives any rights of subrogation, reimbursement, indemnification and contribution and any other rights and defenses that are or may become available to the Guarantor by reason of California Civil Code Sections 2787 to 2855, inclusive.

7. Guarantor also waives any rights or defenses Guarantor may have in respect of his obligations as a guarantor by reason of any election of remedies by Lender.

8. The obligations of Guarantor hereunder are independent of the obligations of the Borrower. A separate action or actions may be brought and prosecuted against Guarantor for the full amount of the Indebtedness without first proceeding against the Borrower, any other guarantor of the Indebtedness or any other person or any security held by Lender and without pursuing any other remedy and without joining the Borrower, any other guarantor of the Indebtedness or any other person in any such action or actions. Any payment of any Indebtedness or other act which shall toll any statute of limitations applicable thereto shall also operate to toll such statute of limitations applicable to Guarantor's liability hereunder.

9. This Guaranty is secured by that certain Guarantor Security Agreement of even date herewith between Lender and Guarantor (the "**Guarantor Security Agreement**"). Any breach of the Guarantor Security Agreement shall also constitute a breach of this Guaranty.

10. If Lender or Guarantor files a suit against the other which is in any way connected with this Guaranty, the unsuccessful party shall pay to the prevailing party a reasonable sum for attorneys' fees, costs and disbursements.

11. The liability of Guarantor hereunder shall be reinstated and revived, and the rights of Lender shall continue, with respect to any amount at any time paid on account of the Indebtedness which shall thereafter be required to be restored or returned by Lender upon the bankruptcy, insolvency or reorganization of the Borrower, or otherwise, all as though such amount had not been paid.

12. This Guaranty applies to, inures to the benefit of and binds all parties hereto, their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. Guarantor's obligations under this Guaranty shall not be assigned or delegated, but this Guaranty shall pass to and be fully binding upon any successors, heirs, assigns and/or trustees of Guarantor. This Guaranty is assignable by Lender without notice with respect to all or any portion of the Indebtedness hereby guaranteed, and when so assigned, Guarantor shall be liable to the assignees under this Guaranty without in any manner affecting the liability of Guarantor hereunder with respect to any Indebtedness retained by Lender.

13. This Guaranty shall be governed by and construed according to the laws of the State of California, without regard to any conflict of law principles to the contrary. Although the printed provisions of this Guaranty were drawn by Lender, this Guaranty is the product of due negotiation between Lender and Guarantor, both of whom have been represented by (or have had the opportunity to be represented by) capable legal counsel. As such, this Guaranty shall not be construed either for or against Lender or Guarantor, but this Guaranty shall be interpreted in accordance with the plain meaning of the language contained in this Guaranty. The invalidity or unenforceability of any one or more provisions of this Guaranty will not affect any other provision. Each of Guarantor and Lender (a) hereby irrevocably and unconditionally submits to the exclusive jurisdiction of any federal or state court located in Los Angeles, California for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agrees not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in such courts, and (c) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

14. This Guaranty constitutes the entire agreement of Guarantor and Lender with respect to the subject matter hereof and there are no promises, statements or representations of any kind or nature whatsoever other than those herein contained. No delay or failure by Lender to exercise any right or remedy against Guarantor will be construed as a waiver of that right or remedy. No obligation of Guarantor under this Guaranty may be waived except by written instrument executed by Lender. All rights and remedies of Lender against Guarantor are cumulative and not exclusive and may be exercised successively or concurrently. No exercise of any right or remedy shall be deemed to be an election of remedies and preclude exercise of any other right or remedy.

**“GUARANTOR”**

Capital Union Investments Limited

By: /s/ Mok Tsan San  
Mok Tsan San, Managing Director

Guarantor’s Address for Notice:  
Unit 2101, 21st Floor  
MassMutual Tower  
33 Lockhart Road  
Wanchai, Hong Kong

**GUARANTY SECURITY AGREEMENT**

This GUARANTY SECURITY AGREEMENT is made and entered into as of March 15, 2018 (this “**Agreement**”) by and between Capital Union Investments Limited (“**Pledgor**”) and SQ Investment Fund II, LLC (“**Lender**”).

**RECITALS**

A. Pledgor owns the issued and outstanding securities of various companies.

B. Pursuant to a Secured Guaranty executed by Pledgor in favor of Lender of even date herewith (the “**Guaranty**”). The Guaranty and this Agreement are collectively referred to herein as the “**Loan Documents**”.

C. It is a condition precedent to Lender making a Loan to Pledgor’s principal that Pledgor shall have granted the security and undertaken the obligations contemplated by this Agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Pledgor, Pledgor hereby agrees with Lender as follows:

1. **Pledge.** Pledgor hereby grants, pledges and gives to Lender, its permitted successors and permitted assigns, a continuing lien and security interest in all of its right, title and interest, now or hereafter existing, in, to and under: (a) the issued and outstanding shares of stock more particularly described in Schedule A attached hereto under the heading **Pledged Shares** (the “**Pledged Shares**”) and the other securities listed in Schedule A under the heading **Other Collateral (the “Other Securities”)**; (b) any and all additional shares of capital stock or other securities or other property (excluding cash dividends, if any, regardless of whether declared) which may be issued or otherwise acquired or received by Pledgor in respect of, in exchange for, or in substitution for the Pledged Shares or the Other Securities, as well as any and all other property which may be delivered to and held in pledge by Lender pursuant to the terms hereof; and (c) any and all proceeds from the sale, exchange or disposition of the securities and property described in clauses (a) and (b) above. The property referred to in clauses (a) through (c) above is sometimes collectively referred to herein as, the “**Collateral**.”

2. **Obligations.** This Agreement secures, and the Collateral is collateral security for: (i) the due and punctual performance of all covenants and obligations of Pledgor under each of the Loan Documents; and (ii) the payment of the costs and expenses that may be incurred by Lender in connection with the administration and enforcement of this Agreement and the realization on the security provided for by this Agreement or in connection with any proceeding to which this Agreement may give rise (including, without limitation, the reasonable fees and disbursements or legal counsel for Lender), (all such obligations set forth in clauses (i) and (ii) above being hereinafter collectively called, the “**Obligations**”), by means of the pledge of the Collateral.

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3. **Representations and Warranties.** Pledgor expressly represents and warrants to Lender as follows:

3.1 **Authority.** Pledgor has full power and authority to execute, deliver and perform this Agreement and to grant to Lender the security interest in the Collateral created hereby, and all consents relating thereto have been obtained.

3.2 **Status of Pledged Shares.** The Pledged Shares are fully paid and nonassessable, duly and validly authorized and issued and, upon execution and delivery of this Agreement, will be duly and validly pledged to Lender in accordance with all provisions of applicable law.

3.3 **Title.** Pledgor has and will continue to have good and marketable title to, and is the legal and beneficial owner of, the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and encumbrances, other than as created by this Agreement.

3.4 **Validity; Priority.** Upon the execution and delivery of this Agreement, Lender shall have a valid and enforceable first lien and security interest in and to the Collateral. Such lien and security interest shall be superior to the rights of all other persons in the Collateral.

3.5 **Conflicts.** The execution, delivery and performance of this Agreement and the granting of a valid and enforceable lien and security interest in the Collateral will not violate: (a) any provision of law or any order, rule or regulation of any court or other governmental agency or authority or regulatory body to which Pledgor is subject; (b) any provision of any indenture, agreement, mortgage, contract or other instrument to which Pledgor is a party or by which any of his properties, assets or revenues are bound; or (c) be in conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under, any such indenture, agreement, mortgage, contract or other instrument.

3.6 **Enforceability.** This Agreement constitutes the legal, valid and binding obligation of Pledgor enforceable against Pledgor in accordance with its terms.

3.7 **Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of Pledgor, threatened against or affecting Pledgor at law or in equity, before any Federal or state court or arbitration board or before any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that involve any transactions contemplated hereby or the possibility of any judgment or liability that might have a material and adverse effect on the value of the Collateral.

4. **Covenants.** Pledgor hereby covenants and agrees with Lender as follows:

4.1 **Deposit of Additional Securities.** Pledgor will cause any additional securities or other properties (excluding cash dividends, if any, regardless of whether declared) issued to or received by Pledgor with respect to any of the Collateral, whether for value paid by Pledgor or otherwise, to be forthwith deposited with and pledged to Lender hereunder, such additional securities or properties to be accompanied by proper instruments of assignment duly executed in blank by Pledgor or as Lender may, in its sole and absolute discretion, request.

4.2 **Defense of Title.** Pledgor agrees, at its sole cost and expense, to defend Lender's right, title, lien and security interest in and to the Collateral against the claims, rights, equities, liens and demands of all persons. So long as this Agreement remains in effect, Pledgor shall not sell, assign, transfer or pledge the Pledged Shares or any other Collateral, or any interest therein.

4.3 **Other Liens.** Except for the lien and security interest granted by this Agreement, the Collateral is now, and at all times will be, maintained by Pledgor free and clear of all liens, security interests, charges, pledges or encumbrances.

4.4 **Taxes; Assessments.** Pledgor has made, and will continue to make, payment or deposit, or otherwise has provided and will provide for the payment, when due, of all taxes, assessments or contributions or other public or private charges which have been or may be levied or assessed against Pledgor with respect to any of the Collateral, and will deliver to Lender, on demand, certificates or other evidence satisfactory to Lender attesting thereto.

4.5 **Further Assurances.** Pledgor will, at its sole cost and expense, perform all acts and execute all documents reasonably requested of Pledgor by Lender from time to time to evidence, perfect, maintain or enforce Lender's lien and security interest in the Collateral granted hereby, or otherwise in furtherance of the provisions of this Agreement, and the transactions contemplated hereby, including, without limitation, any act which may be required to effect a sale or other disposition of the Collateral.

4.6 **Expenses.** Pledgor shall reimburse Lender for any and all reasonable sums, costs and expenses which Lender has paid, or may pay or incur, pursuant to the provisions of this Agreement or in defending, protecting or enforcing this Agreement, including, but not limited to, court costs, collection charges, reasonable fees and disbursements of Lender's legal counsel, and all costs incurred with respect to any sale, transfer or other disposition of the Collateral, all of which shall be included in and be a part of the Obligations, and shall be payable on demand.

4.7 **Financing Statement (UCC-1).** Pledgor hereby authorizes Lender to file a financing statement on Form UCC-1 with respect to the Collateral with the Delaware Secretary of State, and such other instruments as Lender or its legal counsel may reasonably require in order to effect and perfect the pledge to Lender as contemplated hereunder.

4.8 **Delivery of Certificates.** Pledgor shall deliver the original certificates representing the Pledged Shares to Lender.

5. **Defaults.** The occurrence of any of the following shall constitute an event of default (a "Default") under this Agreement:

5.1 **Pledge Agreement.** Pledgor's failure to perform, or the violation of, any provision, agreement, condition, term or covenant of this Agreement not cured within thirty (30) days following written notice thereof; and

5.2 **Guaranty.** The failure by Pledgor to perform, or the violation of, any agreement, covenant or obligation under the Guaranty not cured within the time periods, if any, permitted therein.

6. **Voting Rights, Dividends, Etc.** Subject to Section 7 hereof, and prior to the occurrence of a Default, Pledgor shall be entitled to: (a) vote the Pledged Shares; (b) give consents, waivers and ratifications with respect thereto; and (c) otherwise act with respect to the Pledged Shares as though Pledgor were the outright owner thereof. Upon the occurrence of a Default, all rights of Pledgor under this Section 6 shall immediately cease and all such rights shall immediately become vested in Lender.

7. **Remedies Upon Default.** After a Default shall have occurred, Lender may, without notice to or demand upon Pledgor, take the actions set forth below.

7.1 **Remedies Provided by Applicable law.** Lender may exercise any remedies available to a secured party under applicable law.

7.2 **Foreclosure Sale.** Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale, without further notice, may be made at the time and place to which the same was so adjourned.

(a) At any sale made pursuant to this Agreement, Lender may bid for or purchase, free from any rights of redemption, stay or appraisal on the part of Pledgor (all said rights being hereby unconditionally and irrevocably waived and released by Pledgor to the extent permitted by law), any part or all of the Collateral offered for sale and may make payment on account thereof by using any of the Obligations as a credit against the purchase price, and Lender may, upon compliance with the terms of the sale, hold, retain and dispose of such property without further accountability to Pledgor.

(b) As an alternative to exercising the power of sale herein conferred upon it, Lender may proceed by a suit or suits at law or in equity to foreclose against any of the Collateral pledged pursuant to this Agreement and to sell the Collateral, or any portion thereof, pursuant to a judgment or decree of a court or courts of competent jurisdiction. In the event of any sale or alternative thereto hereunder, Lender shall, after deducting all costs and expenses of every kind for care, safekeeping, collection, sale, deliver, legal proceedings (including, without limitation, the fees and disbursements of legal counsel) or otherwise apply the residue of the proceeds of the sale, together with any other moneys at the time held by it hereunder, as set forth in Section 12 hereof.

8. **Securities Laws.** In the event that a question arises under the Securities Act of 1933, as now or hereafter in effect, or any similar Federal statute hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect hereinafter called the “**Federal Securities Laws**”), with respect to any disposition of the Collateral, Pledgor understands that compliance with the Federal Securities Laws may severely restrict and limit Lender’s conduct in attempting to dispose of all or any part of the Collateral and may also limit the extent to which and the manner in which any subsequent transferee of any of the Collateral may dispose of the same.

9. **Lender Appointed Attorney-in-Fact.** Pledgor hereby irrevocably appoints Lender as its attorney-in-fact for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument which Lender may, in its sole and absolute discretion, deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest, but such attorney-in-fact shall not be effective until a Default shall have occurred. Without limiting the generality of the foregoing, Lender shall have the right and power, if a Default shall have occurred to: (a) ask for, demand, collect, sue for, receive, endorse and collect all checks and other orders for the payment of money made payable to Pledgor representing any interest or dividend or other distribution payable in respect of the Pledged Shares or any part thereof and to give full discharge for the same; (b) give any necessary receipts for amounts collected or received by Lender pursuant to this Agreement and make all necessary transfers of all or any part of the Collateral in connection with any sale or other disposition thereof made pursuant to this Agreement, and for that purpose to execute all necessary instruments of assignment and transfer; (c) commence and prosecute any and all suits, actions or proceedings in law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any part of the Collateral or to enforce any rights in respect thereof; and (d) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to any or all of the Collateral.

**10. Waiver of Rights by Pledgor; Delay by Lender Not a Waiver.**

10.1 **Waiver.** To the full extent that it may lawfully so agree, Pledgor will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law, as now or hereafter in force or effect, in order to prevent or delay the enforcement of this Agreement or the sale of all or any portion of the Collateral, or the possession thereof by any purchaser at any sale; and Pledgor, for itself, and all parties claiming by, through and under it, to the extent permitted by law, hereby unconditionally and irrevocably waives the benefit of all such laws. Pledgor, for itself and all parties claiming, by, through or under it, to the extent permitted by law, also unconditionally and irrevocably waives all right to have all or any portion of the Collateral marshalled upon any foreclosure thereof and agrees that any court having jurisdiction over this Agreement may order the sale of all or any portion of the Collateral. Any sale of all or any part of the Collateral in accordance with this Agreement shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of Pledgor in and to the Collateral so sold, optioned or realized upon, and shall be a perpetual bar both at law and in equity against Pledgor and against any and all persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under Pledgor. Pledgor hereby unconditionally and irrevocably waives presentment, notice of dishonor and protest of any instruments included in or evidencing any of the Obligations or the Collateral.

10.2 **Delay Not a Waiver.** To the extent permitted by law, no delay on Lender's part in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon Pledgor with respect to any power of sale, lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the right of Lender to take any action or to exercise any power of sale, lien, option or any other right under this Agreement, or otherwise, nor shall any single or partial exercise of any such power of sale, lien, option or other right preclude any other or further exercise thereof, or the exercise of any power, lien, option or other right under this Agreement or otherwise, all without notice or demand (except such notice as is otherwise required by this Agreement), nor shall any of the same prejudice the rights of Lender as against Pledgor in any respect. Any waiver must be in writing and be signed by the party or parties against whom the waiver is sought.

11. **Remedies Unlimited.** Lender shall have the right to sell all or any part of the Collateral at such time and in such order as it may elect, in its sole and absolute discretion, or to enforce any one or more remedies, individually or cumulatively, relative hereto either successively or concurrently, and Pledgor hereby agrees that the liens, options and other rights hereby given to Lender shall remain unimpaired and unprejudiced and that the enforcement of any remedy shall not operate to bar or estop Lender from exercising any other right or remedy. Each and every remedy of Lender shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

12. **Application of Proceeds of Sale and Other Property.** The proceeds of any sale of Collateral sold pursuant to this Agreement shall be applied by Lender as follows:

FIRST: to the payment of all costs and expenses incurred by Lender in connection with such sale, including, but not limited to, the reasonable fees and expenses of legal counsel for Lender incurred in connection therewith, and to the payment of all advances made by Lender hereunder for the account of Pledgor and the payment of all costs and expenses paid or incurred by Lender upon the exercise of any right or remedy hereunder, under the Guaranty or this Agreement; and

SECOND: to the payment in full or reduction of the Obligations (to the extent not previously paid).

Amounts remaining after payment in full of the Obligations shall be remitted to Pledgor. If Lender sells any of the Collateral hereunder and the proceeds thereof exceed the amount necessary to reimburse Lender for all damages and other amounts to which it is then entitled, Lender shall remit such amounts to Pledgor.

13. **Indemnification.** Pledgor agrees to indemnify, defend and hold harmless Lender (to the full extent permitted by law) from and against any and all claims, demands, losses, judgments and liabilities (including, without limitation, liabilities for penalties) of whatever nature with respect to this Agreement, the Guaranty, the Obligations or the Collateral, and to reimburse Lender for all out-of-pocket costs and expenses, including, without limitation, legal fees and disbursements with respect thereto.

14. **Pledgor Not Discharged.** The obligations of Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and, to the extent permitted by law, shall not be released, discharged or in any way affected by: (a) any amendment, modification or waiver of any provision of the Loan Documents, any other instrument evidencing any part of the Obligations; (b) any exercise or non-exercise of any right, remedy, power or privilege under or in respect of this Agreement or any other instrument evidencing any part of the Obligations or with respect to applicable law, including, without limitation, any failure of Lender to exercise any right of setoff, in whole or in part, with respect to any security deposit or the balance of any deposit account or credit on its books in favor of Pledgor or any other person or any waiver, consent, extension, indulgence or other action or inaction in respect of any thereof; (c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding of, or affecting, Pledgor; or (d) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of Pledgor or would otherwise operate as a discharge of Pledgor as a matter of law.

15. **Termination.** The lien and security interests created by this Agreement shall terminate on the date when both: (a) the Guaranty and the obligations under this Agreement have been paid and/or performed in full; and (b) all Obligations secured hereby shall have been fully paid, together with any interest thereon, at which time Lender shall reassign and redeliver (or cause to be so reassigned and redelivered), without recourse upon or warranty by Lender, and at the sole expense of Pledgor, to Pledgor, against receipt therefor, such of the Collateral, if any, as shall not have been sold or otherwise applied by Lender pursuant to the terms hereof and not theretofore reassigned and redelivered to Pledgor, together with appropriate instruments of reassignment and release. Any indemnities of Lender by Pledgor contained herein shall survive the termination of this Agreement.

16. **Miscellaneous.**

16.1 **Severability.** Any provision of this Agreement prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, or modified to the minimum extent necessary to conform with such laws, without invalidating the remaining provisions of this Agreement, and any such prohibition in one jurisdiction shall not invalidate such provision in any other jurisdiction. If such prohibition or unenforceability has an economic effect adverse to Lender, then the parties shall negotiate in good faith an equivalent economic benefit to Lender.

16.2 **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed therein, without reference to the choice of law provisions thereof.

16.3 **Venue**. The parties (a) hereby irrevocably and unconditionally submit to the exclusive jurisdiction of any federal or state court located in Los Angeles, California for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in such courts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

16.4 **Successors and Assigns**. This Agreement shall be binding upon and inure the benefit of the parties hereto and their respective successors and assigns; provided, however, that Pledgor shall not assign any of its rights, or delegate any of its duties or obligations under this Agreement without the prior written consent of Lender.

16.5 **Entire Agreement; Amendment**. This Agreement supersedes all prior agreements among the parties with respect to its subject matter, is intended as a complete and exclusive statement of the terms and the agreement among the parties with respect thereto, and cannot be amended, modified, changed or terminated except by a written instrument executed by the party or parties against whom enforcement thereof is sought.

16.6 **Continuing Agreement**. This Agreement shall be a continuing agreement in every respect until all the Obligations have been satisfied in their entirety.

16.7 **Attorneys' Fees**. If any legal action or proceeding is brought by any party in order to enforce or construe a provision of this Agreement, the unsuccessful party in such action or proceeding, whether or not such action or proceeding is settled or prosecuted to final judgment, shall pay all of the attorneys' fees and costs incurred by the prevailing party. If Pledgor shall become subject to any case or proceeding under the Bankruptcy Act as amended or recodified from time to time (the "**Act**"), Pledgor shall pay to Lender on demand all attorneys' fees, costs and expenses which Lender may incur to obtain relief from any provision of the Act which delays or otherwise impairs Lender's exercise of any right or remedy under this Agreement or the Guaranty or to obtain adequate protection or assurance for any of Lender's rights or Collateral.

16.8 **Counterparts**. This Agreement may be executed by the parties hereto in any number of counterparts, no one of which need be executed by all or more than one of the parties hereto; and when this Agreement has been executed by all of the parties hereto, each of said counterparts shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

16.9 **Notices.** All notices, consents, and other communications hereunder shall be in writing and shall be deemed to have been received by a party hereto and to be effective on the day when delivered personally, four days after mailing by first-class certified or registered mail, return receipt requested, one day after sending by email, or one business day after sending via overnight delivery service, to a party at the address set forth below (or such other address as a party, may designate by notice to the others pursuant hereto):

To Lender:           SQ Investment Fund II, LLC  
870 Orlando Road  
San Marino, CA 91108  
Email:  
Attention: Anthony Tang

To Pledgor:           Capital Union Investments Limited  
Unit 2101, 21st Floor  
MassMutual Tower  
33 Lockhart Road  
Wanchai, Hong Kong  
Email:  
Attention: Mok Tsan San

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed this Guaranty Security Agreement as of the day and year first above written.

“PLEDGOR”

CAPITAL UNION INVESTMENTS LIMITED

By: /s/ Mok Tsan San  
Mok Tsan San, Managing Director

“LENDER

SQ INVESTMENT FUND II, LLC

By: /s/ Anthony Tang  
Anthony Tang, Manager

**SCHEDULE A**

**COLLATERAL**

**1. Pledged Shares.**

<b>Registered Owner</b>	<b>Certificate Number</b>	<b>Number of Shares</b>
Pledgor	No. SS-19	218,627 shares of Series Seed Preferred Stock of bringhub, inc.
Pledgor	No. PA-42	828,980 shares of Series A Preferred Stock of Get Heal, Inc.
Pledgor	—	_____ shares of Series A Preferred Stock of NextVR, Inc.

**2. Other Collateral.**

That certain Convertible Unsecured Promissory Note dated as of September \_\_, 2015 in the principal amount of \$500,000 issued by Ener-Core, Inc. to Pledgor.