CURRENT REPORT
July 29, 2015

PHOENIX FOOTWEAR GROUP, INC.

A Delaware corporation.

PHOENIX FOOTWEAR GROUP, INC.
5937 Darwin Court, Suite 109
Carlsbad, CA 92008

CUSIP: 71903M209
OTC MARKETS TRADING SYMBOL: PXFG

PHOENIX FOOTWEAR GROUP, INC.
CURRENT REPORT
July 29, 2015

The information set forth below follows guidelines for providing adequate current information as amended, outlined by OTC Markets, Inc., and generally follows the sequential format set forth in those rules. THIS CURRENT REPORT HAS NOT BEEN FILED WITH THE SEC OR ANY OTHER REGULATORY AGENCY.

Item 1. Material Definitive Agreement.

Phoenix Footwear Group, Inc., a Delaware corporation ("Company"), is offering for sale up to 4,000,000 shares (the "Shares"), or $2,000,000, of the Company's common stock, par value $0.01 per share (the "Common Stock"), at an offering price (the "Offering Price") of $0.50 per share (the "Offering"). The Company is making the Offering to its shareholders who are "accredited investors" as defined in Regulation D promulgated by the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended (the "Act").

The Company is offering the Shares directly on a best efforts basis without an underwriter or any minimum number of Shares that must be sold. All subscriptions for Shares are irrevocable once executed and delivered by an investor. The Company has not made any arrangements to place funds received from investors in an escrow, trust or similar account. The Company will not pay interest on amounts remitted with subscriptions, including rejected subscriptions. The Offering commenced on July 28, 2015, and will terminate at 5:00 p.m. Eastern Time on August 12, 2015, unless the Company extends the Offering for up to an additional 30 days. The Company reserves the right to terminate the Offering without notice at any time.

The Shares will be issued to accredited investors in private transactions not involving any public offering and are therefore exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof, and Rule 506(c) of Regulation D thereunder.

The Offering is open to all shareholders of record as of June 11, 2015 (the "Record Date") who are accredited investors and currently reside in the United States ("Eligible Shareholders"). In order for Eligible Shareholders to participate, subscriptions must be received no later than 5:00 p.m. Eastern Time on August 12, 2015. If the Company does not receive subscriptions and accept subscriptions from Eligible Shareholders for all the available Shares by 5:00 p.m. Eastern Time on August 12, 2015, or any extended deadline, the Company will sell the remaining Shares pursuant to the Standby Purchase Agreement, described below.

Standby Purchase Agreement.

In connection with the Offering, the Company entered into a Standby Purchase Agreement, dated July 23, 2015 (the "Purchase Agreement"), with Greenwood Capital, LP, a Massachusetts limited partnership, and MGPLA, LP, a Delaware limited partnership, both managed by Greenwood Investments, Inc. (the "Greenwood Investors"). The Purchase Agreement was negotiated and approved by a special committee of the Company's Board of Directors. Under the Purchase Agreement, the Greenwood Investors agreed to initially purchase, at the Offering Price, 2,094,400 Shares (the "Initial Purchase"). This represents the Greenwood Investors' pro rata portion of the total number of Shares available in the Offering based upon their beneficial ownership of the Common Stock issued and outstanding as of the Record Date, including shares underlying the convertible notes held by them. The Greenwood Investors also committed in the Purchase Agreement to purchase from the Company, at the Offering Price, any portion of the Shares not otherwise subscribed for in the Offering. The Greenwood Investors' obligation to buy any shares not otherwise subscribed for in the Offering is subject to standard closing conditions set forth in the Standby Purchase Agreement.

Amendment to the Investor Agreement.

On July 23, 2015, concurrently with entering into the Purchase Agreement, the Company, the Greenwood Investors, James R. Riedman and Riedman Corporation entered into Amendment Number One to the Amended and Restated Investor Agreement (the "Amendment to the Investor Agreement") between the Company, the Greenwood Investors, James Riedman, and Riedman Corporation, dated July 30, 2012 (the "Investor Agreement"). As so

amended, the Investor Agreement allows the Greenwood Investors to assign their rights under the Investor Agreement to one of their "Affiliates," as that term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), who is also an Affiliate of Steven Tannenbaum and Greenwood Investments, Inc.

Amendment to the Voting Agreement.

On July 23, 2015, concurrently with entering into the Purchase Agreement, the Company, Steven Tannenbaum, the Greenwood Investors, James R. Riedman and Riedman Corporation also entered into Amendment Number One to the Amended and Restated Investor Agreement (the "Amendment to the Voting Agreement") between the Company, Steven Tannenbaum, the Greenwood Investors, James Riedman, and Riedman Corporation, dated July 30, 2012 (the "Voting Agreement"). As so amended, the Voting Agreement allows the Greenwood Investors to assign their rights under the Voting Agreement to one of their "Affiliates," as that term is defined in Rule 12b-2 under the Exchange Act, who is also an Affiliate of Steven Tannenbaum and Greenwood Investments, Inc.

Item 8. Sales of Equity Securities.

The Shares will be issued to accredited investors in private transactions not involving any public offering and are therefore exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof, and Rule 506(c) of Regulation D thereunder.

The offer and sale of the Shares has not been registered under the Securities Act, and the Shares may not be re-offered or re-sold in the United States absent registration or an applicable exemption from registration requirements. There was no public offering or general solicitation with respect to the Offering. Certificates representing the Shares being issued to the Greenwood Investors and Eligible Shareholders in the Offering will contain a legend (1) stating that the Shares have not been registered under the Securities Act and (2) referring to the restrictions on transferability and sale of the Shares under the Securities Act.

The Shares being offered and sold and their price are described above in the discussion under Item 1, Entry into a Material Agreement, which is incorporated herein by reference.

Item 9. Material Modification to Rights of Security Holders.

The discussion included in Item 1, Entry into a Material Agreement above, is incorporated herein by reference. The Amendment to the Investor Agreement and the Amendment to the Voting Agreement provide that the Greenwood Investors may assign their rights under the Investor Agreement and Voting Agreement, respectively, to one of their "Affiliates," as that term is defined in Rule 12b-2 under the Exchange Act, who is also an Affiliate of Steven Tannenbaum and Greenwood Investments, Inc.

Exhibit Listing

10.1 Standby Purchase Agreement, dated July 23, 2015, by and between Phoenix Footwear Group, Inc., Greenwood Capital LP, MGPLA, LP, Greenwood Investments, Inc., Steven Tannenbaum, Riedman Corporation, James R. Riedman, and Penobscot Shoe Company.
10.2 Amendment Number One to Amended and Restated Investor Agreement, dated July 23, 2015, by and between Phoenix Footwear Group, Inc., Greenwood Capital LP and MGPLA, LP.
10.3 Amendment Number One to Amended and Restated Voting Agreement, dated July 23, 2015, by and between Phoenix Footwear Group, Inc., Riedman Corporation, James R. Riedman, Greenwood Capital LP, MGPLA, LP, and Greenwood Investments, Inc.

Contact:

Greg Slack
Chief Financial Officer
760-579-5020

EXHIBIT 10.1

STANDBY PURCHASE AGREEMENT

DATED AS OF JULY 23, 2015

AMONG

PHOENIX FOOTWEAR GROUP, INC.,

GREENWOOD CAPITAL LP AND MGPLA, LP

TABLE OF CONTENTS

Page

1. Definitions and Interpretation 1
   1.1 Definitions 1
   1.2 Interpretation 1

2. Issuance and Sale of Shares 2
   2.1 Issuance and Sale of Shares 2
   2.2 Standby Purchaser Deliveries at the Closing 3
   2.3 Company Deliveries at the Closing 3

3. Representations and Warranties of the Company 4
   3.1 Organization 4
   3.2 Capitalization 4
   3.3 Authorization; Execution and Enforceability 6
   3.4 Validity of Shares 6
   3.5 No Conflicts; Consents and Approvals 6
   3.6 Financial Statements 7
   3.7 Absence of Certain Changes 7
   3.8 Litigation 8
   3.9 Intellectual Property Rights 8
   3.10 OTC Maintenance Requirements for Common Stock 8
   3.11 Tax Matters 9
   3.12 Title to Assets 9
   3.13 Insurance 9
   3.14 Permits 9
   3.15 Indebtedness and Other Contracts 10
   3.16 Solvency 11
   3.17 Labor Matters 11
   3.18 Material Contracts 11
   3.19 Compliance 12
   3.20 Transactions with Affiliates 12
   3.21 Investment Company 13
   3.22 Corrupt Practices 13
   3.23 Application of Takeover Protections 13
   3.24 Securities Law Compliance 13
   3.25 No Brokers 14
   3.26 Compliance with ERISA 14
   3.27 Accounts Receivable; Customers; Vendors 14
   3.28 Inventory 15
   3.29 Real Property 15
   3.30 Environmental Matters 16
   3.31 Omitted 17
   3.32 Quasi-Corporation Requirements 17
   3.33 Accuracy and Completeness of Disclosure 17

3.34 No Public Offering....17

4. Representations and Warranties of the Standby Purchaser.... 17
4.1 Organization, Standing and Power....17
4.2 Authorization; Execution and Enforceability....17
4.3 No Conflict; Consents and Approvals....18
4.4 Purchase Entirely for Own Account....18
4.5 Investment Experience....18
4.6 Disclosure of Information....18
4.7 Restricted Securities....19
4.8 Accredited Investor....19
4.9 Legends....19
4.10 Availability of Funds....19
4.11 No Brokers....19
4.12 No Other Representations or Information....19
4.13 No Disqualification Events....20

5. Covenants.... 20
5.1 Greenwood Designee to Board of Directors....20
5.2 Certain Actions....20
5.3 Contractual Consents and Governmental Approvals....20
5.4 Use of Proceeds....20
5.5 Noncircumvention....20
5.6 Takeover Statutes....21
5.7 Further Assurances....21
5.8 Omitted....21
5.9 Public Announcements....21
5.10 Fees and Expenses....21
5.11 Notice of Disqualification Events....22
5.12 Waiver of Participation Rights....22
5.13 Consent to Offering and Related Transactions; Waiver....22
5.14 Information....22
5.15 No Change in Offering Terms....22
5.16 Consent to Certain Transfers to Affiliates....22

6. Conditions.... 23
6.1 Conditions to the Company's Obligations....23
6.2 Conditions to the Standby Purchasers' Obligations....24

7. General.... 25
7.1 Termination....25
7.2 Notice....25
7.3 Complete Agreement; No Third-Party Beneficiaries....26
7.4 Survival....27
7.5 Governing Law....27
7.6 No Assignment....27

7.7 Counterparts 27
7.8 Remedies; Waiver 27
7.9 Severability 28
7.10 Amendment; Waiver 28

Exhibit A Schedule of Defined Terms
Exhibit B Schedule of Investors
Exhibit C Company Disclosure Schedules
Exhibit D Form of Legal Opinion

PHOENIX FOOTWEAR GROUP, INC.
STANDBY PURCHASE AGREEMENT

STANDBY PURCHASE AGREEMENT (this "***Agreement***"), dated as of July 23, 2015, between PHOENIX FOOTWEAR GROUP, INC. a Delaware corporation (the "***Company***"), and GREENWOOD CAPITAL LP, a Massachusetts limited partnership and MGPLA, LIMITED PARTNERSHIP, a Massachusetts limited partnership (each a "***Standby Purchaser***," and collectively, the "***Standby Purchasers***").

WHEREAS, the Company and each Standby Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "***Securities Act***"), and Rule 506 of Regulation D ("***Regulation D***") as promulgated by the United States Securities and Exchange Commission (the "***SEC***") under the Securities Act; and

WHEREAS, the Company wishes to conduct a private placement exempt from registration under Rule 506(c) of Regulation D to its stockholders who are accredited investors of up to 4.0 million shares (the "***Offering Shares***") of its common stock, par value $0.01 per share (the "***Common Stock***"), at a price of $0.50 per share to raise capital to support its operations (the "***Stockholder Offering***"); and

WHEREAS, each Standby Purchaser wishes to acquire shares of the Common Stock, and is willing to assist the Company in completing the Stockholder Offering by: (i) purchasing a portion of the Offering Shares at the Initial Closing (as defined below), and (ii) purchasing at the Standby Purchase Closing (as defined below) any remaining Offering Shares not purchased by stockholders who are accredited investors in the Stockholder Offering.

NOW, THEREFORE, the Company and each Standby Purchaser hereby agree as follows:

1. Definitions and Interpretation.

1.1 Definitions. The capitalized terms that are defined in Exhibit A are used herein with the meanings set forth therein.

1.2 Interpretation.

(a) Headings. The headings to the Articles, Sections and Subsections of this Agreement or any Exhibit to this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

(b) Usage. In this Agreement, unless the context requires otherwise: (i) the singular number includes the plural number and vice versa; (ii) reference to any gender includes each other gender; (iii) the Exhibits to this Agreement are hereby incorporated into, and shall be deemed to be a part of, this Agreement; (iv) the terms "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular section or other provision hereof; (v) the words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation"; (vi) a reference to

any Article, Section, Subsection or Exhibit shall be deemed to refer to the corresponding Article, Section, Subsection, or Exhibit of this Agreement and (vii) a reference to any Schedule shall be deemed to refer to the corresponding Schedule to the Company Disclosure Schedule, attached hereto as Exhibit C.

2. Issuance and Sale of Shares.

2.1 Issuance and Sale of Shares.

(a) Initial Purchase and Standby Commitment.

(i) Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6.1 and 6.2 below, the Company agrees to issue and sell to each Standby Purchaser, and each Standby Purchaser agrees to purchase from the Company on the Initial Closing Date that number of shares of Common Stock set forth opposite such Standby Purchaser's name on Exhibit B under the column "Initial Purchase of Common Stock," at a purchase price of $0.50 per share (the "***Initial Purchase***"). The shares of Common Stock issued to each Standby Purchaser pursuant to this Agreement (including any shares issued at the Initial Closing and any Committed Shares issued at the Standby Purchase Closing) shall be referred to in this Agreement as the "***Shares***."

(ii) Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6.1 and 6.2 below, should sufficient shares be available after purchases by stockholders who are accredited investors in the Stockholder Offering, each Standby Purchaser shall purchase, and the Company shall sell to each Standby Purchaser, such number of shares of Common Stock equal to (A) the lesser of: (x) 1,905,600 shares of Common Stock (as adjusted for stock dividends, splits, recapitalizations and the like) and (y) all Offering Shares not purchased by stockholders who are accredited investors in the Offering (the "***Standby Commitment***," and such shares the "***Committed Shares***"), multiplied by (B) the percentage set forth next to Standby Purchaser's name on Exhibit B under the column "Pro Rata Percentage of Committed Shares." The Standby Purchasers shall pay the purchase price of $0.50 per share for all such Shares.

(b) Closing.

(i) The closing of the Initial Purchase of the Shares by the Standby Purchasers (the "***Initial Closing***") shall occur at the offices of Foley Hoag LLP, Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210, or by the electronic exchange of signature pages. The date and time of the Initial Closing (the "***Initial Closing Date***") shall be 10:00 a.m., eastern standard time, on the first Business Day on which the conditions to the Closing set forth in Sections 6.1 and 6.2 below have been satisfied or waived (or such other date and time as is mutually agreed to by the Company and each Standby Purchaser).

(ii) The closing of the purchase of Committed Shares by the Standby Purchasers (the "***Standby Purchase Closing***" and with the Initial Closing, each a "***Closing***") shall occur at the offices of Foley Hoag LLP, Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 02210, or by the electronic exchange of signature pages. The date and time of the Standby Purchase Closing (the "***Standby Purchase Closing Date***" and with the Initial

Closing Date, each a "***Closing Date***") shall be 10:00 a.m., eastern time, on the third Business Day following expiration of the Stockholder Offering, as set forth in the Offering Memorandum, on which the conditions to the Closing set forth in Sections 6.1 and 6.2 below have been satisfied or waived (or such other date and time as is mutually agreed to by the Company and each Standby Purchaser).

(c) Form of Payment. On each Closing Date, (A) each Standby Purchaser shall pay its purchase price to the Company for the Shares to be issued and sold to Standby Purchaser at such Closing, and (B) the Company shall deliver to each Standby Purchaser a certificate representing the Shares purchased by it at such Closing duly executed on behalf of the Company and/or its transfer agent and registered in the name of the Standby Purchaser.

2.2 Standby Purchaser Deliveries at the Closing. At the each Closing, as applicable, each Standby Purchaser shall deliver to the Company an amount in same-day funds equal to such Standby Purchaser's purchase price for the Shares to be purchased by it at such Closing, by wire transfer to a bank account designated in writing by the Company prior to the Closing. By delivery of the funds at the Standby Closing, such Standby Purchaser is deemed to make the representations and warranties to the Company as set forth in Article 4 of this Agreement.

2.3 Company Deliveries at the Closing. At the each Closing, the Company shall deliver to each Standby Purchaser:

(a) a stock certificate representing the shares of Common Stock to be issued to such Standby Purchaser at such Closing, registered in such Standby Purchaser's name, or letter from the Company's transfer agent confirming registration of such shares in the name of the Standby Purchaser, and undertaking to make physical delivery of such shares to Standby Purchaser;

(b) a certificate, in form and substance satisfactory to the Standby Purchasers, executed by an officer of the Company confirming that each of the conditions set forth in Section 6.2 have been fulfilled;

(c) at the Initial Closing only, a legal opinion, dated the Closing Date, of Woods Oviatt Gilman LLP, substantially to the effect set forth in Exhibit D;

(d) at the Initial Closing only, a certificate of the Secretary or Assistant Secretary of the Company, dated the Initial Closing Date, in form and substance satisfactory to the Standby Purchasers, as to (i) the Certificate of Incorporation of the Company; (ii) the Bylaws of the Company; (iii) the resolutions of the Board of Directors of the Company and Special Committee authorizing the execution and delivery of the Agreement and (iv) the sale of the Shares;

(e) at the Initial Closing only, a certificate of good standing for the Company issued by the Secretary of State of the State of Delaware as of a date that is not more than one (1) Business Day prior to the Closing Date; and

(f) at the Initial Closing only, a certificate of good standing for the Company issued by the Secretary of State of the State of California as of a date that is not more than one (1) Business Day prior to the Closing Date.

(g) a letter, in form and substance satisfactory to the Standby Purchasers, executed by stockholder James Riedman confirming his commitment to purchase $150,000 of Offering Shares.

3. Representations and Warranties of the Company. The Company hereby represents and warrants to each Standby Purchaser as follows, except in each case as specifically (i) set forth in a Schedule to the Company Disclosure Schedule, a copy of which is attached hereto as Exhibit C, furnished to the Standby Purchaser specifically identifying the relevant Section hereof, and (ii) with the exception of the representations and warranties in Sections 3.1, 3.2, 3.3, 3.4 and 3.5, as qualified by disclosures in the Company's OTC Reports filed with the OTC Markets, Inc. since December 31, 2014. These representations and warranties, and the exceptions referenced therein, are made as of the date of this Agreement and as of each Closing Date and are current as of such dates except to the extent that a representation or warranty specifies that it is made as of an earlier date. Where certain of the representations and warranties below are specifically qualified by disclosures in the Company's OTC Reports, such qualification excludes any disclosure therein that constitutes a "risk factor" or a "forward-looking statement" under the heading "Forward-Looking Statements" in any such OTC Report.

3.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. True and correct copies of the certificate of incorporation and by-laws of the Company, as amended through the date hereof, have been provided to the Standby Purchaser. The Company has all requisite corporate power and authority to carry on the businesses in which it is engaged (and as described in the OTC Reports) and to own or lease its properties. The Company and each of its Subsidiaries are duly qualified to conduct business as a foreign corporation and are in good standing under the laws of the State of California and other each jurisdiction in which the nature of the businesses of the Company and its Subsidiaries or the ownership or leasing of their properties requires such qualification, other than where the failure to be so qualified would not reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect. The Company has no Subsidiaries except as set forth on Schedule 3.1 of the Company Disclosure Schedule.

3.2 Capitalization.

(a) The authorized capital stock of the Company consists of 50,000,000 shares of Common Stock and 500,000 shares of Preferred Stock. No shares of Preferred Stock are currently outstanding and no series of Preferred Stock has been designated or reserved for issuance. Of the shares of Common Stock currently authorized: (i) 8,418,362 shares are currently outstanding, excluding the Offering Shares, (ii) 1,010,000 shares are reserved for issuance upon the exercise of Employee Stock Options, (iii) 50,000 shares are reserved for issuance upon the exercise of options issued outside of Employee Stock Incentive Plans, (iv) 60,000 shares are reserved for the issuance of Common Stock upon the settlement of RSU Awards that are currently outstanding, (v) 987,204 additional shares are reserved for issuance pursuant to the Employee Stock Incentive Plans in respect of future awards under such plans, (vi)

5,869,565 shares are reserved for issuance upon the conversion of the Greenwood Notes, and (vii) no other shares are reserved for issuance for any purpose, each as expressly set forth on Schedule 3.2(a). The Company is not a party to a Rights Plan, or "poison pill" agreement.

(b) Except as set forth in Schedule 3.2(b), there are no outstanding Convertible Securities. The issuance of the Shares as contemplated herein will not cause the number of shares of Common Stock issuable pursuant to any outstanding Convertible Securities to increase as a result of any antidilution provisions relating thereto.

(c) Except as disclosed in Schedule 3.2(c), there are no (i) outstanding options, warrants or other rights exercisable for the purchase of any shares of Capital Stock or Convertible Securities ("***Stock Purchase Rights***"), (ii) stock appreciation rights, performance stock awards or other employee incentive awards the value of which is determined by reference to the value of the Common Stock or (iii) other agreements or commitments obligating the Company or any of its Subsidiaries to issue, sell, repurchase, redeem or otherwise acquire any shares of Capital Stock, Convertible Securities, Stock Purchase Rights or any securities of any Subsidiary. The issuance of the Shares as contemplated herein will not cause the number of shares of Common Stock issuable pursuant to any outstanding Stock Purchase Rights to increase as a result of any antidilution provisions relating thereto.

(d) There are no authorized or outstanding bonds, debentures, notes or other obligations of the Company the holders of which have the right to vote with the holders of Common Stock on any matter. The Company does not have in effect any dividend reinvestment plans or employee stock purchase plans.

(e) All outstanding shares of Capital Stock (including any outstanding Restricted Stock) have been duly authorized and validly issued and are fully-paid and nonassessable and have been offered and issued without violation of any preemptive rights of any Person or any applicable securities laws. All outstanding Stock Purchase Rights and Convertible Securities have been issued without violation of any applicable securities laws, and all shares of Common Stock or other Capital Stock issued upon exercise thereof will have been, upon such issuance, duly authorized and validly issued without violation of any preemptive rights of any Person and will be fully-paid and nonassessable.

(f) Except as disclosed on Schedule 3.2(f), there are no voting trusts, proxies or other agreements to which the Company or, to the Knowledge of the Company any of its officers or directors, is a party or by which it or any of them is bound with respect to the voting of any shares of Capital Stock affecting the voting of any shares of Capital Stock.

(g) Except as disclosed on Schedule 3.2(g), there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act.

(h) Except as disclosed on Schedule 3.2(h), there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or

arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries.

3.3 Authorization; Execution and Enforceability. The Company has all requisite corporate power and authority to execute, deliver and perform this Agreement and to perform the Investors Agreement and Voting Agreement, each as amended or otherwise modified hereby, and to consummate the Transactions. The execution, delivery and performance of this Agreement and the performance of the Investors Agreement and Voting Agreement, each as amended or otherwise modified hereby, and the consummation of the Transactions, including without limitation, the authorization and issuance of the Shares and each of the covenants agreed to in the Agreement, has been duly authorized by the Board and the Special Committee and no further corporate action on the part of the Company is required in connection therewith, except where stockholder approval is specifically contemplated herein or therein for such action.

This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms. The Investors Agreement and Voting Agreement, each as amended or otherwise modified hereby, constitute the legal, valid and binding obligations of the Company enforceable against it in accordance with their respective terms.

3.4 Validity of Shares. Upon issuance to each Standby Purchaser as contemplated herein, the Shares issuable to the Standby Purchaser hereunder will have been duly authorized and validly issued without violation of the preemptive rights of any Person and will be free and clear of any Liens (other than restrictions on transfer imposed by this Agreement, the Voting Agreement, the Investors Agreement and applicable securities laws), taxes or charges.

3.5 No Conflicts; Consents and Approvals.

(a) Except as set forth in Schedule 3.5(a), neither the execution, delivery or performance of this Agreement, nor the performance of the Investors Agreement and Voting Agreement, each as amended or otherwise modified hereby, nor the consummation of any of the Transactions will (a) conflict with or violate any provision of the certificate of incorporation or by-laws of the Company or any Organizational Document of any of the Subsidiaries; (b) result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party any right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any material Contractual Obligation or any Requirement of Law material to the operation of the Company or any of the Subsidiaries or any of their respective properties and assets, including the Senior Financing Agreement; (c) result in the imposition of any Lien upon any material properties or assets of the Company or any of the Subsidiaries; (d) result in the Company or any Subsidiary being required to redeem, repurchase or otherwise acquire any outstanding equity or debt interests, securities or obligations in the Company or any of the Subsidiaries or any options or other rights exercisable for any of same, or (e) cause the accelerated vesting of any Employee Stock Options, Restricted Stock Awards or RSU Awards.

(b) Except application(s) to each applicable Trading Market for the listing of the Securities for trading thereon in the time and manner required thereby, and the

filing of Form D with the SEC and such filings as are required to be made under applicable state securities laws and the rules of the OTC Markets Group, Inc., (collectively, the "***Company Approvals***"), neither the Company nor any of the Subsidiaries is required to obtain any consent, authorization or approval of, or make any filing, notification or registration with, any Governmental Authority or any self-regulatory organization in order for the Company to execute, deliver and perform this Agreement and to consummate the Transactions.

(c) Except as set forth in Schedule 3.5(c) and as required under the Investors Agreement and the Voting Agreement, no Contractual Consents are required to be obtained under any Contractual Obligation applicable to the Company or any Subsidiary or, to the Knowledge of the Company, any officer, director or employee thereof in connection with the execution, delivery or performance of this Agreement, or the performance of the Investors Agreement, the Voting Agreement, each as amended or otherwise modified hereby, or the consummation of any of the Transactions ("***Company Contractual Consents***").

3.6 Financial Statements.

(a) As of their respective dates, the OTC Reports or any amendments thereof, complied in all material respects with the requirements of the OTC Markets Group, Inc., applicable to the OTC Reports, and none of the OTC Reports or to the extent such reports were amended, at the time they were filed with the OTC Markets Group, Inc., contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) As of their respective dates, except as set forth therein or in the notes thereto, the financial statements contained in the OTC Reports and the related notes complied as to form in all material respects complied with all applicable accounting requirements and with the published guidelines of the OTC Markets Group, Inc. with respect thereto. The Company's financial statements and the related notes contained in the OTC Reports are referred to herein collectively as the "Financial Statements." The Financial Statements: (i) were prepared in accordance with accounting principles generally accepted in the United States ("***GAAP***"), consistently applied during the periods involved (except (1) as may be otherwise indicated in the notes thereto or (2) in the case of unaudited interim statements, to the extent that they may not include footnotes, may be condensed or summary statements or may conform to the guidelines of the OTC Markets Group, Inc., for quarterly unaudited financial statements, as applicable), (ii) fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal and recurring year-end audit adjustments*)* and (iii) are in all material respects in accordance with the books of account and records of the Company and its consolidated Subsidiaries (except as may be otherwise noted therein).

3.7 Absence of Certain Changes. Except as set forth in Schedule 3.7, since January 3, 2015, (a) there has not been any Company Material Adverse Effect or any changes, events or developments that would reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect, and (b) the Company and the Subsidiaries have

conducted their respective businesses only in the ordinary course and in conformity with past practice. Except as disclosed in Schedule 3.7, since January 3, 2015, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold or otherwise disposed of any material asset outside of the ordinary course of business or (iii) made or committed to make capital expenditures, individually or in the aggregate, in excess of $50,000. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any bankruptcy law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at each Closing will not be, Insolvent.

3.8 Litigation. Schedule 3.8 lists all pending litigation to which the Company or any of the Subsidiaries is a party (either as a plaintiff or defendant). Except as disclosed on Schedule 3.8 there is no Action or Proceeding to which the Company or any of the Subsidiaries is a party (either as a plaintiff or defendant) pending or, to the Knowledge of the Company, threatened before any Governmental Authority, FINRA or self-regulatory organization (i) that challenges the validity or propriety of any of the Transactions or (ii) if determined adversely to the Company or any Subsidiary would reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect. Neither the Company nor any of the Subsidiaries, nor, to the Knowledge of the Company, any of their respective officers, directors or employees, is the subject of any Action or Proceeding involving a claim of material violation or material liability under federal, state or foreign securities or insurance laws or the rules, by-laws, or constitution of FINRA or any self-regulatory organization, or a claim of material breach of fiduciary duty relating to the Company or any of the Subsidiaries or is permanently or temporarily enjoined by any order, judgment or decree of any Governmental Authority, FINRA or self-regulatory organization from engaging in or continuing to conduct any of the businesses of the Company or any Subsidiary. There is not pending or, to the Knowledge of the Company, contemplated, any investigation by any Governmental Authority, FINRA or self-regulatory organization involving the Company or any of the Subsidiaries or any officer, director or employee thereof.

3.9 Intellectual Property Rights. The Company and the Subsidiaries own or possess, or will be able to obtain on reasonable terms, licenses or sufficient rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names and copyrights necessary to enable them to conduct their businesses as currently conducted ("***Intellectual Property***"). To the Knowledge of the Company neither the Company nor any of the Subsidiaries has infringed the intellectual property rights of third parties, and no third party, is infringing the Intellectual Property. There is no material claim or proceeding pending and, to the Knowledge of the Company, there is no threatened that challenges the right of the Company or any of the Subsidiaries with respect to any of the Intellectual Property.

3.10 OTC Maintenance Requirements for Common Stock. The Common Stock currently trades over-the-counter and is quoted on the OTC Pink market, operated by the OTC Markets Group, Inc., and the Company has no reason to believe that it will not in the foreseeable future continue to be in compliance with the maintenance requirements for continued trading of

the Common Stock over-the-counter and the continued quotation of the Common Stock on the OTC Pink market. Trading in the Common Stock has not been suspended by the SEC. The transactions contemplated by this Agreement will not require shareholder approval under any Trading Market rules.

3.11 Tax Matters. The Company and the Subsidiaries have made or filed all federal, state and foreign income and all other Tax Returns required by any jurisdiction to which they are subject (unless and only to the extent that the Company or any of the Subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported Taxes) and have paid all Taxes that are material in amount, shown or determined to be due on such Tax Returns, except those being contested in good faith and have set aside on their books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the Knowledge of the Company there are no unpaid Taxes in any material amount claimed to be due by any Taxing Authority, and to the Knowledge of the Company there is no basis for any such claim (unless and only to the extent that the Company or any of the Subsidiaries has set aside on its books providing reasonably adequate for the payment of such amount). Neither the Company nor any Subsidiary has executed a waiver with respect to the statute of limitations relating to the assessment or collection of any Tax. Except as disclosed in Schedule 3.11, none of the Company's, or any of the Subsidiaries', Tax Returns is presently being audited by any Taxing Authority.

3.12 Title to Assets. The Company and the Subsidiaries have good and marketable title in and to all property owned by them and that is material to their businesses, free and clear of all Liens, except for Permitted Liens and Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by them. Any property and facilities held under lease by the Company and the Subsidiaries are held under valid, subsisting and enforceable leases concerning which the Company and the Subsidiaries are in material compliance.

3.13 Insurance. The Company and the Subsidiaries maintain in full force and effect insurance coverage that is customary for comparably situated companies for the business being conducted and properties owned or leased by the Company and the Subsidiaries, and the Company reasonably believes such insurance coverage provides reasonable, prudent and customary coverage against all liabilities, claims and risks against which it is customary for comparably situated companies to insure. To the Knowledge of the Company, neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Company Material Adverse Effect.

3.14 Permits.

(a) The Company and its Subsidiaries hold all Company Permits that are required for the conduct of the businesses of the Company and the Subsidiaries as currently being conducted, each as amended through the date hereof. To the Knowledge of the Company, the respective officers, directors and employees of each of the Company and its Subsidiaries hold

all material Company Permits that are required for the conduct of the businesses of the Company and the Subsidiaries as currently being conducted, each as amended through the date hereof, other than such Miscellaneous Permits the absence of which would not reasonably be expected, individually or in the aggregate to have a Company Material Adverse Effect.

(b) The Regulatory Permits and all Miscellaneous Permits material to the business of the Company are in full force and effect and have not been pledged or otherwise encumbered, assigned, suspended, modified, conditioned, or restricted in any material respect, canceled or revoked, and the Company and each of the Subsidiaries, and, to the Knowledge of the Company, each of their respective officers, directors and employees thereof, have operated, and are operating, in compliance with all terms thereof or any renewals thereof applicable to them, and are in good standing in respect of all such Company Permits. To the Knowledge of the Company, no event has occurred, nor has any notice been received, with respect to any of the Company Permits which allows or results in, or after notice or lapse of time or both would result in, revocation, suspension, or termination, modification, or the imposition of any condition or restriction, thereof or would result in any other material impairment of the rights of the holder of any such Company Permit.

(c) Except as disclosed on Schedule 3.11(c) to the Knowledge of the Company, no Governmental Authority, the SEC, OTC Markets Group, Inc., FINRA or self-regulatory organization has initiated any proceeding, investigation, or examination into the business or operations of the Company or any Subsidiary, or any officer, director or employee thereof, or has instituted any proceeding seeking to revoke, cancel or limit any Company Permit, and neither the Company or any Subsidiary, nor any officer, director or employee thereof has received any notice of any unresolved material violation or exception by any Governmental Authority, FINRA or self-regulatory organization with respect to any report or statement relating to any examination of the Company or any Subsidiary. Without limiting the generality of the foregoing, neither the Company nor any Subsidiary nor, to the Knowledge of the Company, any of their respective officers, directors, or employees or persons performing similar duties has been enjoined, indicted, convicted or made the subject of a disciplinary proceeding, censure, consent decree, cease and desist or administrative order on account of any violation of the Exchange Act, the Commodity Exchange Act, the Investment Company Act of 1940, the Investment Advisers Act of 1940, state securities law or applicable foreign law or regulation.

(d) Except as disclosed on Schedule 3.11(d) neither the Company or any Subsidiary, nor, to the Knowledge of the Company, any officer, director or employee thereof is a party or subject to any agreement, consent, decree or order or other understanding or arrangement with, or any directive of any Government Authority, the SEC, OTC Markets Group, Inc., FINRA or self-regulatory organization which imposes any material restrictions on or otherwise adversely affects in any material way the conduct of any of the business of the Company and its Subsidiaries.

3.15 Indebtedness and Other Contracts. Except as set forth on Schedule 3.15 neither the Company nor any of its Subsidiaries (i) has any outstanding Indebtedness (other than Indebtedness incurred in the ordinary course of business since January 3, 2015 which does not exceed $50,000 individually or $100,000 in the aggregate), or (ii) is in violation of any term of or in default under any contract, agreement or instrument relating to any Indebtedness.

3.16 Solvency. Based on the financial condition of the Company as of the relevant Closing Date (and assuming that the relevant Closing shall have occurred and giving effect to the receipt by the Company of the proceeds from the sale of the relevant Shares hereunder), (i) the Company's fair saleable value of its assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature; (ii) the Company's assets do not constitute unreasonably small capital to carry on its business for the current fiscal year as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, and projected capital requirements and capital availability thereof, and including the anticipated proceeds of the sale of the Shares; and (iii) the current cash flow of the Company, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its debt when such amounts are required to be paid. The Company has no current intention to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt).

3.17 Labor Matters. There are no collective bargaining agreements to which the Company or any of the Subsidiaries is a party. The Company and each Subsidiary are in compliance in all material respects with all Requirements of Law respecting employment and employment practices, terms and conditions of employment and wages and hours. No Key Employee has notified the Company or any Subsidiary that such employee intends to leave the Company or any such Subsidiary or otherwise terminate such Key Employee's employment with the Company or any such Subsidiary and to the Knowledge of the Company no Key Employee intends to leave the Company or any such Subsidiary or otherwise terminate such Key Employee's employment with the Company or any such Subsidiary.

3.18 Material Contracts. Except for (i) this Agreement, the Voting Agreement and Investors Agreement, (ii) those agreements set forth in Schedule 3.18, (iii) those agreements disclosed in the OTC Reports (collectively, the "***Material Contracts***") or (iv) which individually or in the aggregate are not material to the Company's or any of its Subsidiaries' businesses, as of the date of this Agreement, neither the Company nor any of its Subsidiaries are a party to or bound by:

(a) any trust indenture, mortgage, promissory note, loan agreement or other contract for the borrowing of money, any currency exchange, commodities or other hedging arrangement (other than any such arrangement entered into for bona fide hedging purposes) or any leasing transaction of the type required to be capitalized in accordance with Statement of Financial Accounting Standards No. 13 of the Financing Accounting Standards Board;

(b) any contract for capital expenditures in excess of $50,000 in the aggregate;

(c) any contract limiting the freedom of the Company to engage in any line of business, to acquire any material product or asset from any other Person outside the ordinary course of business, to sell any material product or asset outside the ordinary course of

business to, perform any material service outside the ordinary course of business, or to compete with any other Person;

(d) any contract pursuant to which the Company is a lessor of real property or of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal tangible property involving in the case of any such personal property contract more than $50,000 over the life of the contract;

(e) any material contract with any Person with whom the Company does not deal at arm's length;

(f) any contract which provides for the indemnification of any officer, director, employee or agent;

(g) any guarantee of indebtedness of any other Person;

(h) any contract with or commitment to any labor union;

(i) any contract or commitment for or relating to the employment of any officer, employee or consultant of the Company or any other type of contract or understanding with any officer, employee or consultant of the Company that is not immediately terminable (or terminable within thirty (30) days or less in the case of consultants) by the Company without cost or other liability; and

(j) any joint venture or partnership contract or other agreement which has involved, or is reasonably expected to involve, a sharing of profits, expenses or losses with any other party.

3.19 Compliance. Except as described in Schedule 3.19, the Company and the Subsidiaries are not: (i) in violation of any of their respective Organizational Documents, (ii) in default under or in violation of (and, to the Knowledge of the Company, no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or the Subsidiaries under), nor has the Company or the Subsidiaries received notice of a claim that it is in default under or that it is in violation of, any Company Contract to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (iii) in violation of any order of any court, arbitrator or Governmental Authority, or (iv) in violation of any applicable Requirement of Law. Except as set forth in Schedule 3.19, the Company and each of its Subsidiaries and the conduct and operation of their respective businesses is and has been in compliance with each Requirement of Law in all material respects, that (a) affects or relates to this Agreement, the Investors Agreement, Voting Agreement or any of the Transactions or (b) is applicable to the Company or its Subsidiaries or their respective businesses.

3.20 Transactions with Affiliates. Except as disclosed in Schedule 3.20, or in the OTC Reports, (a) no transactions, or series of related transactions, are currently proposed to which the Company or any of the Subsidiaries would be a party that would be required to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act, and (b) none of the officers or directors of the Company and, to the Knowledge of the Company, none of the

employees of the Company, is presently a party to any transaction with the Company or any of its Subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner other than (i) for payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) for other employee benefits, including stock option agreements and restricted under any Company plan.

3.21 Investment Company. The Company is not, and after giving effect to the Transactions will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

3.22 Corrupt Practices. Neither the Company nor any Subsidiary, nor to the Knowledge of the Company any director, officer, employee, agent or other Person acting on behalf of the Company or any Subsidiary has, in the course of his or its actions for, or on behalf of the Company or any of the Subsidiaries (i) used any corporate funds for any unlawful contribution gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employees from corporate funds; (iii) violated or is in violation of in any material respect any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

3.23 Application of Takeover Protections. No "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute, including without limitation Section 203 of the Delaware General Corporation Law (each, a "***Takeover Statute***") is applicable to the Transactions, except for such statutes or regulations as to which all necessary action has been taken by the Company and the Board to permit the consummation of the sale of the Shares and the other Transactions.

3.24 Securities Law Compliance. Assuming the accuracy of the Standby Purchaser's representations and warranties contained in Article IV, and assuming the accuracy of the investors' representations and warranties in the subscription agreements submitted by them in the Offering, the offer, sale and issuance of the Shares hereunder is in compliance with Section 4(a)(2) of the Securities Act and is exempt from the registration and prospectus delivery requirements of the Securities Act and all applicable state securities laws. Neither the Company nor any agent of the Company has offered the Offering Shares by any form of general solicitation or general advertising, including any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising other than in compliance with SEC Rule 506(c). Except as stated in this Agreement, the Company has not taken, nor will it take, directly or indirectly, any action designed to or that might reasonably be expected to cause or result in stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Shares. The Company agrees not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect

of any security (as defined in the Securities Act) that would be integrated with the sale of the Shares in a manner that would require the registration under the Securities Act of the offer or sale to the Standby Purchaser of the Shares.

3.25 No Brokers. No broker, investment banker or other Person is entitled to any broker's, finder's or other similar fee or commission in connection with the execution and delivery of this Agreement or the consummation of any of the Transactions based upon arrangements made by or on behalf of the Company, and the Company shall indemnify and hold the Standby Purchaser harmless against any claim for any such fee or commission based on any such arrangements.

3.26 Compliance with ERISA.

(a) Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (ii) failed to make any required contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

(b) The benefit plans not covered under clause (i) above (including profit sharing, deferred compensation, stock option, employee stock purchase, bonus, retirement, health or insurance plans, collectively the **"*Company Benefit Plans*"**) relating to the employees of the Company are duly registered where required by, and are in good standing in all material respects under, all applicable laws. All required employer and employee contributions and premiums under the Company Benefit Plans to the date hereof have been made, the respective fund or funds established under the Company Benefit Plans are funded in accordance with applicable laws, and no past service funding liabilities exist thereunder.

(c) No Company Benefit Plans have any unfunded liabilities, either on a "going concern" or "winding up" basis and determined in accordance with all applicable laws and actuarial practices and using actuarial assumptions and methods that are reasonable in the circumstances. No event has occurred and no condition exists with respect to any Company Benefit Plans that has resulted or could reasonably be expected to result in any pension plan having its registration revoked or wound up (in whole or in part) or refused for the purposes of any applicable laws or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any taxes or penalties (in any material amounts) under any applicable laws.

3.27 Accounts Receivable; Customers; Vendors. The accounts receivable and all other receivables shown on the Financial Statements, and all receivables acquired or generated by the Company or any of its Subsidiaries, are bona fide receivables and represent amounts due with respect to actual arm's length transactions entered into in the ordinary course

of business and are collectible at their recorded amounts (subject to discounts or allowances allowed by the Company in the ordinary course of business) and are legal, valid and binding obligations of the account obligors. Such reserves have been reflected on the books of the Company in accordance with GAAP and are adequate. With the exception of Permitted Liens, no account has been assigned or pledged to any other Person and no defense or right of setoff in respect of any such account has been asserted by the account obligor.

3.28 Inventory. The inventories on the Financial Statements are stated at the lower of cost (first-in, first-out method) or market in accordance with GAAP applied on a consistent basis. Subject to reserves for obsolescence as reflected therein, the Inventory is usable or saleable in the ordinary course and is owned by the Company and its Subsidiaries free and clear of any Liens. The Inventory has been reflected on the books of the Company and its Subsidiaries and the Financial Statements in accordance with GAAP and is adequate for the business of the Company and any of its Subsidiaries.

3.29 Real Property.

(a) Set forth on Schedule 3.29 is a complete and accurate list of all of the real property owned by the Company, its Subsidiaries or any of its Affiliates and related to their business (the "***Owned Real Property***") and a complete and accurate list of all of the real property interests leased or subleased by any of the Company, its Subsidiaries or any of its Affiliates and related to their business (the "***Leased Real Property***" and, together with the Owned Real Property, the "***Real Property***").

(b) The Real Property, together with any easements appurtenant thereto, includes all of the real property used or held for use in connection with or otherwise required to carry on the business in the manner it has been conducted prior to the date of this Agreement and as proposed to be conducted following the Closing.

(c) Set forth on Schedule 3.29 is a complete and accurate list of all leases or subleases relating to the Leased Real Property and any documents or instruments affecting the rights or obligations of any of the parties thereto (the "***Leases***"). Each of the Leases (including any option to purchase contained therein) is legal, valid, binding and enforceable and in full force and effect and is enforceable against the landlord which is party thereto in accordance with its terms, and there exists no material breach, default or event of default (or any event that with notice or lapse of time or both would become a material breach, default or event of default) on the part of any of the Company, its Subsidiaries or any of its Affiliates under any Leases. None of the Company, its Subsidiaries or any of its Affiliates has assigned or sublet its interest under any Lease.

(d) Each facility included in the Real Property (including, all buildings, structures, and improvements) (i) is in good operating condition and repair and is structurally sound and free of material defects, with no material alterations or repairs required thereto under applicable law or insurance company requirements, and (ii) suitable in all respects for its current use, operation and occupancy.

(e) The ownership, occupancy, use and operation of the Real Property has complied and complies with all Laws in all material respects, and does not violate in any material respect any instrument of record or agreement affecting such property.

(f) There are no pending or, to the Knowledge of the Company, threatened appropriation, condemnation, eminent domain or like proceedings relating to the Real Property.

(g) None of the Real Property has suffered any material damage by fire or other casualty which has not heretofore been repaired and restored in all material respects.

3.30 Environmental Matters. To the knowledge of the Company:

(a) The Company and its Subsidiaries and their respective properties and assets have at all times been in material compliance with all applicable environmental laws and there are no circumstances which could reasonably be expected to prevent or interfere with compliance in the future. No person including any governmental authority, citizen group, employee or otherwise, has alleged that the Company or any of its Subsidiaries or any of their respective properties or assets are in violation of or subject to liability under any environmental laws.

(b) No notice or claim by any Person alleging potential responsibility, obligations or liability (including potential liability for investigatory costs, cleanup costs, governmental costs, or harm, injuries or damages to any Person, property, natural resources, any fines or penalties) arising out of, based upon, resulting from, or relating to (i) the emission, discharge, disposal, release or threatened release of any hazardous substance or (ii) any alleged requirements or alleged violation relating to, any applicable environmental law has been given or is threatened (A) against any of the Company, its Subsidiaries or any of its Affiliates or (B) against any Person whose liability for such environmental notice or claim may have been retained or assumed by or could reasonably be imputed or attributed by law or otherwise to the Company or any of its Subsidiaries or Affiliates.

(c) Except as set forth on Schedule 3.30, there are no past or present actions, activities, circumstances, conditions, events or incidents arising out of, based upon, resulting from or relating to the operation, ownership or use of any property currently or formerly owned, operated or used by the Company or any of its Subsidiaries (or any current or former Affiliate) or related to their business, including the presence of or the contamination of any property or structure by any hazardous substance from any source or the release, emission, discharge or disposal of any hazardous substance into the environment, that (i) could reasonably be expected to result in the incurrence of costs under environmental laws or (ii) could reasonably be expected to form the basis of any environmental notice or claim against or with respect to any of the Company, its Subsidiaries or any of its Affiliates or against any Person or entity whose liability for any such notice or claim may have been retained or assumed by or could be imputed or attributed by law or otherwise to any of the Company, its Subsidiaries or any of its Affiliates.

(d) There are and have been no underground storage tanks, asbestos or polychlorinated biphenyls (PCBs) located on any property currently or formerly owned, leased or used by the Company or any of its Subsidiaries or related to their business.

(e) There are no locations currently or formerly owned, leased or used by the Company or any of its Subsidiaries or related to the business at which any hazardous substance may have been placed or disposed of or any other site where any hazardous substance generated, transported or disposed of by the Company or any of its Subsidiaries (or any current or former Affiliate) or related to the business (or by any previous owner or operator) may have been released into the environment or could be expected to require remedial or response action.

(f) Neither the Company nor any of its Subsidiaries is subject to any order, decree, injunction or other arrangement with any governmental entity or any indemnity or other agreement with any third party relating to obligations or liability under any environmental law.

3.31 Omitted.

3.32 Quasi-Corporation Requirements. The Company does not meet the requirements set forth in Section 2115(a) of the California Corporations Code (the "***California Code***") and is not subject to the provisions of the California Code identified in Section 2115(b) thereof.

3.33 Accuracy and Completeness of Disclosure. Neither this Agreement nor any other document, certificate or instrument delivered to the Standby Purchaser by or on behalf of the Company or any of its Subsidiaries in connection with this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained in this Agreement and in such other documents, certificates or instruments not misleading in light of the circumstances under which such statements were made.

3.34 No Public Offering. The Company hereby confirms for purposes of Section 2.10 of the Investors Agreement that it has had no "IPO" of its Common Stock on or since July 21, 2011, as such term is defined in the Investors Agreement.

4. Representations and Warranties of the Standby Purchaser. Each Standby Purchaser hereby represents and warrants to the Company as of each Closing Date as follows:

4.1 Organization, Standing and Power. The Standby Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. The Standby Purchaser has the necessary power and authority to execute, deliver and perform this Agreement.

4.2 Authorization; Execution and Enforceability. The execution, delivery and performance by the Standby Purchaser of this Agreement has been duly and validly authorized by all necessary Business Entity action on its part. This Agreement has been duly executed and delivered by the Standby Purchaser and constitutes the legal, valid and binding obligations of the Standby Purchaser, enforceable against it in accordance with its terms.

4.3 No Conflict; Consents and Approvals.

(a) Neither the execution, delivery or performance by the Standby Purchaser of this Agreement nor the consummation of any of the Transactions will (i) conflict with or violate any provision of any Organizational Document of the Standby Purchaser or (ii) conflict with or violate, or require any notice, consent or waiver under, any Requirement of Law applicable to the Standby Purchaser or any of its properties or assets other than a conflict, violation, notice, consent or waiver that is not material.

(b) The Standby Purchaser is not required to obtain any consent, authorization or approval of, or make any filing or registration with, any Governmental Authority or any self-regulatory organization in order for the Standby Purchaser to execute, deliver and perform this Agreement and to consummate the Transactions ("***Standby Purchaser Approvals***") other than applicable filings with the SEC.

4.4 Purchase Entirely for Own Account. The Shares to be acquired by the Standby Purchaser hereunder will be acquired for its own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act, and the Standby Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act. The Standby Purchaser does not have any agreement or understanding, whether or not legally binding, direct or indirect, with any other Person to sell or otherwise distribute the Shares to be issued to it hereunder.

4.5 Investment Experience. The Standby Purchaser acknowledges that it can bear the economic risk and complete loss of its investment in the Shares to be purchased by it and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby. The Standby Purchaser understands that the purchase of the Shares involves substantial risk.

4.6 Disclosure of Information. The Standby Purchaser has, in connection with its decision to purchase the Shares to be issued to it, has had access to the OTC Reports and the representations and warranties of the Company contained herein. The Standby Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement. The Standby Purchaser and its advisors, if any, have been given the opportunity to obtain information and to examine this Agreement and certain other information regarding the Company and to ask questions of, and to receive answers from the Company or Persons acting on the Company's behalf concerning the Shares, the Company, and terms and conditions of this investment, and to obtain any additional information to verify the accuracy of any information previously furnished. Each Standby Purchaser understands that such discussions, as well as any written information provided by the Company, were intended to describe the aspects of the Company's business and prospects which the Company believes to be material, but were not necessarily a thorough or exhaustive description, and except as expressly set forth in this Agreement, the Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than the Company. Some of such information may

include projections as to the future performance of the Company, which projections may not be realized, may be based on assumptions which may not be correct and may be subject to numerous factors beyond the Company's control. The right of the Standby Purchaser to rely fully upon the representations and warranties of the Company contained in this Agreement shall not limited by this Section 4.6 or any right of the Standby Purchaser to investigate the affairs of the Company or any knowledge of facts determined or determinable by the Standby Purchaser pursuant to such investigation or right of investigation.

4.7 Restricted Securities. The Standby Purchaser understands that the Shares will be characterized as "restricted securities" under the United States federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Standby Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the fairness or suitability of the investment in the Shares.

4.8 Accredited Investor. The Standby Purchaser is an "accredited investor" as defined in Rule 501(a) of Regulation D, as amended, under the Securities Act. The Standby Purchaser's principal place of business is located in the jurisdiction set forth on Exhibit B.

4.9 Legends. To the extent applicable, each certificate or other document evidencing any of the Shares shall be endorsed with the legends required by the Investors Agreement and Voting Agreement, and the Standby Purchaser covenants that, except to the extent such restrictions are waived by the Company, the Standby Purchaser shall not transfer the shares represented by any such certificate without complying with any applicable restrictions on transfers in the Investors Agreement or Voting Agreement.

4.10 Availability of Funds. The Standby Purchaser has sufficient funds on hand or currently drawable under applicable credit facilities or financing commitments to pay the purchase price for the Shares at the Initial Closing and the Standby Purchase Closing.

4.11 No Brokers. No broker, investment banker or other Person is entitled to any broker's, finder's or other similar fee or commission in connection with the execution and delivery of this Agreement or the consummation of any of the Transactions based upon arrangements made by or on behalf of the Standby Purchaser, and the Standby Purchaser shall indemnify and hold the Company harmless against any claim for any such fee or commission based on any such arrangements.

4.12 No Other Representations or Information. In evaluating the suitability of an investment in the Shares, the Standby Purchaser has not relied upon any representation or information (oral or written) other than as stated in this Agreement, the other documents delivered at each Closing. No oral or written representations have been made, or oral or written information furnished, to the Standby Purchaser or its representatives, if any, in connection with the offering of the Shares.

4.13 No Disqualification Events. The Standby Purchaser represents that neither it, nor any of its directors, officers, general partners or managing members, nor any of the directors, officers of any such general partner or managing member, (each, an "***Investor Covered Person***" and, collectively, "***Investor Covered Persons***"), is subject to any is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "***Disqualification Event***"), except for a Disqualification Event (i) contemplated by Rule 506(d)(2) under the Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof.

5. Covenants. The Company and its Subsidiaries and each Standby Purchaser, as the case may be, agree to the following covenants, unless waived by the Company or the Standby Purchaser, as applicable, in writing in accordance with Section 7.10.

5.1 Greenwood Designee to Board of Directors. At the Standby Purchaser's request, the Board previously elected Stephanie Pianka to the Board as a designee of Greenwood. Consistent with, and so long as required by the terms of the Voting Agreement the Company will continue to cause one person designated by Greenwood (such designee referred to herein as the "***Greenwood Designee***") to be appointed to the Board.

5.2 Certain Actions. The Company and the Standby Purchaser, respectively, shall each refrain from taking any action which would render any representation or warranty contained in Section 3 or 4, respectively, inaccurate in any material respect as of each Closing Date. Each party shall promptly notify the other of (i) any event or matter that would reasonably be expected to cause any of its representations or warranties to be untrue in any material respect as of each Closing Date or (ii) any action, suit or proceeding that shall be instituted or threatened against such party to restrain, prohibit or otherwise challenge the legality of any of the Transactions.

5.3 Contractual Consents and Governmental Approvals. The Company shall act diligently and reasonably in attempting to obtain before the Initial Closing Date, and the Standby Purchaser shall reasonably cooperate with the Company in such efforts, any Company Contractual Consents in form and substance reasonably satisfactory to the Standby Purchaser, provided that neither the Company nor the Standby Purchaser shall have any obligation to offer or pay any consideration, fees or agreed to changes in terms of Indebtedness in order to obtain any such Company Contractual Consents; and provided, further, that the Company shall not make any agreement or understanding affecting the Company or any of the Subsidiaries, or any of their respective businesses, as a condition for obtaining any such Company Contractual Consents except with the prior written consent of the Standby Purchaser.

5.4 Use of Proceeds. The net proceeds received by the Company from the issuance of the Shares shall be used for working capital and general corporate purposes.

5.5 Noncircumvention. The Company shall not, and shall not permit its Subsidiaries, by amendment of its Organizational Documents or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Agreement and will at all times in good faith carry out all of the

provisions of this Agreement, and take all reasonable actions as may be required to protect the rights of the Standby Purchaser as a holder of the Shares.

5.6 Takeover Statutes. If any Takeover Statute shall become applicable to the Transactions and this Agreement, the Company and the members of the Board shall grant such approvals and take such actions as are necessary so that the Transactions and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to eliminate or minimize the effects of such statute or regulation on the transactions contemplated hereby, subject in each such case, to the extent consistent with the fiduciary duties of the Board under applicable law after consultation with outside counsel.

5.7 Further Assurances. The Company and its Subsidiaries shall execute and deliver any and all such further documents and take any and all such other actions as may be reasonably necessary or appropriate to carry out the intent and purposes of this Agreement and to consummate the Transactions.

5.8 Omitted.

5.9 Public Announcements. Each Standby Purchaser and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to the execution and delivery of this Agreement or any of the Transactions, and shall not issue any such press release or make any such public statement prior to reaching mutual agreement on the language of such press release or such public statement, except as may otherwise be required by applicable Requirement of Law or stock exchange rule, or rule of any Trading Market where the Company's Securities are quoted in order to maintain current reporting status.

5.10 Fees and Expenses.

(a) Except as otherwise specified in this Section 5.10 or agreed in writing by the parties, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such cost or expense.

(b) At each Closing, the Company shall promptly reimburse the Standby Purchasers upon presentation of appropriate invoices and documentation therefor for all Reimbursable Expenses incurred, by or on behalf of the Standby Purchasers or any of their Affiliates and not previously reimbursed by the Company. Any such Reimbursable Expenses incurred on or prior to each Closing Date may be deducted by the Standby Purchasers from the purchase price due at each Closing to satisfy the Company's reimbursement obligation hereunder. For purposes of this Agreement, "***Reimbursable Expenses***" shall mean all reasonable out-of-pocket fees and expenses incurred by or on behalf of the Standby Purchasers (or respective Affiliates) at any time prior to any termination of this Agreement (whether before or after the date hereof or before or after the Closing Date) in connection with their due diligence investigation of the Company, the preparation and negotiation of this Agreement and consummation of the Transactions and related preparations therefor, including all reasonable fees

and expenses of counsel, accountants, experts and consultants to the Standby Purchasers and their respective Affiliates for both Standby Purchasers.

5.11 Notice of Disqualification Events. Each Standby Purchaser will notify the Company in writing, prior to each Closing Date of (i) any Disqualification Event relating to any Investor Covered Person not previously disclosed to the Company in accordance with Section 4.13 and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Investor Covered Person.

5.12 Waiver of Participation Rights. Each Standby Purchaser hereby irrevocably waives any and all participation rights and other rights under Section 4.6 of the Investors Agreement to purchase shares of Common Stock or otherwise, with respect to the issuance and sale of shares of Common Stock of the Company pursuant to the Offering.

5.13 Consent to Offering and Related Transactions; Waiver.

(a) Each Standby Purchaser hereby consents to the transactions contemplated in connection with the consummation of the Offering, and waives any default or breach of the Investors Agreement resulting from the Offering, and without limiting the generality of the foregoing, each Standby Purchaser specifically consents to the issuance of Common Stock in the Offering as contemplated thereby pursuant to Section 4.1(i) of the Investors Agreement.

(b) The Standby Purchasers, Greenwood Investments, Inc., Steven Tannenbaum, James Riedman and Riedman Corporation (collectively, the "***Voting Agreement Parties***") each hereby: (a) waive the covenant in Section 1.1 of the Voting Agreement to reduce the Board to three (3) members and consent to the increase in the size of the Board of Directors to five (5) members, provided that such waiver and consent shall cease to be effective at any such time, and the terms of the Section 1.1 of the Voting Agreement as originally in effect shall apply from and after such time, as either Standby Purchaser may elect in its sole discretion and notify to the other Voting Agreement Parties; and (b) waive any default or breach of the Voting Agreement resulting from any prior failure to reduce the Board of Directors to three (3) members. The parties to this Section 5.13(a) acknowledge and agree that the failure of the Company and the Voting Agreement Parties to reduce the Board of Directors to three (3) members in accordance with the terms of the Voting Agreement as originally in effect upon any such election by either Standby Purchaser referred to in clause (a) above shall be considered a breach of Section 1.1 of the Voting Agreement and an immediate Event of Default under the secured convertible promissory notes of the Company held by the Standby Purchasers or their Affiliates.

(c) Each Standby Purchaser and the Voting Agreement Parties hereby waive any restrictions set forth in the Investors Agreement, or the Voting Agreement to the extent such restrictions would otherwise prevent the Company from conducting the Offering and issuing the shares of Common Stock contemplated to be issued in the Offering.

5.14 Information. Each Standby Purchaser agrees to furnish to the Company any information with respect to the Standby Purchaser and its affiliates that the Company may

reasonably request and any such information furnished to the Company by the Standby Purchaser expressly for inclusion in the Offering Memorandum or any regulatory filing shall not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not materially misleading.

5.15 No Change in Offering Terms. The Company shall not change the terms of the Offering as described in the Offering Memorandum without prior written consent of each Standby Purchaser (which consent may be withheld by each Standby Purchaser in its sole discretion).

5.16 Consent to Certain Transfers to Affiliates. The Company and Penobscot Shoe Company hereby consent to the transfer and assignment of the following instruments and agreements (each as amended from time to time) (but only with all related obligations) by either Standby Purchaser to any Affiliate of such Standby Purchaser who is also an Affiliate of Greenwood Investments, Inc. and Steven Tannenbaum: Securities Purchase Agreement (2011) (Section 7.6); Securities Purchase Agreement (2012) (Section 7.6); Convertible Notes (2011) (Section 18); Convertible Note (2012) (Section 18). The consent provided in this section is subject to the conditions that prior to the transfer (x) the Company is, furnished with written notice of the name and address of such transferee with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of the relevant agreement.

6. Conditions.

6.1 Conditions to the Company's Obligations. The obligation of the Company to consummate the transactions at each Closing shall be subject to the fulfillment (or waiver by the Company) at or prior to such Closing of each of the following conditions:

(a) No Order. No court or other Governmental Authority having jurisdiction over the Company or any of the Subsidiaries or the Standby Purchaser shall have instituted, enacted, issued, promulgated, enforced or entered any Requirement of Law (whether temporary, preliminary or permanent) that is then in effect and that (i) has the effect of making illegal or otherwise prohibiting or invalidating consummation of any of the Transactions or any provision of this Agreement or (ii) seeks to restrain, prohibit or invalidate the consummation of any of the Transactions or to invalidate any provision of this Agreement.

(b) Performance of Obligations. The Standby Purchaser shall have performed in all material respects each of its respective covenants and agreements contained in this Agreement required to be performed at or prior to the Closing.

(c) Representations and Warranties. Each of the representations and warranties of the Standby Purchaser contained in this Agreement that is qualified as to materiality shall be true and correct on and as of such Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date) and each of the representations and warranties of the Standby Purchaser that is not so qualified shall be true and correct in all

material respects on and as of such Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct in all material respects as of such certain date).

(d) Contractual Consents. Each Company Contractual Consent, if any, shall have been obtained and shall be in full force and effect.

6.2 Conditions to the Standby Purchasers' Obligations. The obligation of each Standby Purchaser to consummate the transactions at each Closing shall be subject to the fulfillment (or waiver by such Standby Purchaser) at or prior to such Closing of each of the following conditions:

(a) No Order. No court or other Governmental Authority having jurisdiction over the Company or any of the Subsidiaries or the Standby Purchaser shall have instituted, enacted, issued, promulgated, enforced or entered any Requirement of Law (whether temporary, preliminary or permanent) that is then in effect and that (i) has the effect of making illegal or otherwise prohibiting or invalidating consummation of any of the Transactions or any provision of this Agreement or results or would result in a Company Material Adverse Effect or (ii) seeks to restrain, prohibit or invalidate the consummation of any of the Transactions or to invalidate any provision of this Agreement.

(b) Approvals. Each Company Approval, if any, shall have been obtained or made and shall be in full force and effect to the extent that the failure to obtain or make such Company Approval or Standby Purchaser Approval (i) has the effect of making illegal or otherwise prohibiting or invalidating consummation of any of the Transactions or any provision of this Agreement or (ii) would reasonably be expected, individually or together with other Company Approvals or Standby Purchaser Approvals that have not been obtained or made, to have a Company Material Adverse Effect.

(c) Contractual Consents. Each Company Contractual Consent, if any, shall have been obtained and shall be in full force and effect.

(d) Performance of Obligations. The Company shall have performed in all material respects each of its covenants and agreements contained in this Agreement and required to be performed at or prior to the Closing.

(e) Representations and Warranties. Each of the representations and warranties of the Company contained in this Agreement that is qualified as to materiality shall be true and correct on and as of such Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct as of such certain date) and each of the representations and warranties of the Company that is not so qualified shall be true and correct in all material respects on and as of such Closing Date as if made on and as of such date (other than representations and warranties which address matters only as of a certain date, which shall be true and correct in all material respects as of such certain date).

(f) Material Adverse Effect. Since the date of this Agreement, with respect to the Company and its Subsidiaries, there shall not have been a Company Material Adverse Effect.

7. General.

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of each Standby Purchaser and the Company;

(b) by either Standby Purchaser if there has been (i) a material breach of any of the representations or warranties of the Company set forth in this Agreement that would give rise to the failure of the condition set forth in Section 6.2(e) or (ii) a material breach of any of the covenants or agreements of the Company set forth in this Agreement, which breach has not been cured within ten (10) Business Days following receipt by the Company of notice of such breach from the Standby Purchaser; provided that a Standby Purchaser is not then in material breach of any representation or warranty under this Agreement;

(c) by the Company if there has been (i) a material breach of any of the representations or warranties by a Standby Purchaser set forth in this Agreement that would give rise to the failure of the condition set forth in Section 6.1(c) or (ii) a material breach of any of the covenants or agreements of a Standby Purchaser set forth in this Agreement, which breach has not been cured within ten (10) Business Days following receipt by the Standby Purchaser of notice of such breach from the Company; provided that the Company is not then in material breach of any representation or warranty under this Agreement;

(d) by either Standby Purchaser or the Company if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of any of the Transactions shall have become final and non-appealable; or

(e) by either Standby Purchaser or the Company if the Standby Purchase Closing shall not have occurred on or before August 31, 2015, unless the failure for the Closing to occur is the result of a material breach of this Agreement by the party seeking to terminate this Agreement.

In the event of termination of this Agreement by the Standby Purchaser or the Company, as provided in this Section 7.1, this Agreement shall forthwith become void and there shall be no liability hereunder on the part of either Standby Purchaser or the Company, or their respective officers, directors, managers, members or partners, except for Sections 5.9, 5.10 and 7.1 and except that no such termination shall relieve any party of liability for any breach of any other provision of this Agreement occurring prior to such termination.

7.2 Notice. Whenever any notice is required to be given hereunder, such notice shall be deemed given only when such notice is in writing and is delivered by messenger or courier or, if sent by fax, when received. All notices, requests and other communications

hereunder shall be delivered by courier or messenger or shall be sent by facsimile to the following addresses:

(i) If to a Standby Purchaser, at the following address:

Greenwood Investments, Inc.
Prudential Tower
800 Boylston Street, Suite 1450
Boston, Massachusetts 02199
Attention: Steven Tannenbaum
Fax: (617) 507-5847
E-mail: tannenbaum@greenwoodcap.com

with a copy by fax or messenger or courier to:

Foley Hoag LLP
Seaport West
155 Seaport Boulevard
Boston, Massachusetts 02210
Attention: Malcolm G. Henderson, Esq.
Fax: (617) 832-7000
E-mail: mhenderson@foleyhoag.com

(ii) If to the Company, at the following address:

Phoenix Footwear Group, Inc.
5937 Darwin Court, Suite 109
Carlsbad, California 92008
Attention: James R. Riedman
Facsimile: (760) 602-9684
E-mail: james.riedman@phxg.com

with a copy by fax or messenger or courier to:

Woods Oviatt Gilman LLP
Two State Street
Suite 700
Rochester, New York 14534
Attention: Gordon E. Forth, Esq.
Gregory W. Gribben, Esq.
Fax: (585) 987-2801
E-mail:gforth@woodsoviatt.com; ggribben@woodsoviatt.com

or, in the case of any of the foregoing, to such other respective addresses as may be designated by notice given in accordance with this Section 7.2.

7.3 Complete Agreement; No Third-Party Beneficiaries. This Agreement, the Investors Agreement and the Voting Agreement constitute the entire agreement among the

parties pertaining to the subject matter hereof and supersede all prior agreements and understandings of the parties in connection therewith.

7.4 Survival. The respective representations, warranties, covenants and agreements of the Company and each Standby Purchaser set forth in this Agreement or in any exhibit, schedule, certificate or instrument attached or delivered pursuant hereto or thereto (except covenants and agreements which are expressly required to be performed and are performed in full on or prior to a Closing Date) shall survive the Closing and the consummation of the Transactions, provided that the Company's representations and warranties shall survive until eighteen (18) months from the Standby Purchase Closing Date.

7.5 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware. Each party agrees that all proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, employees or agents) may be commenced in the state and federal courts sitting in Wilmington, Delaware (the "***Delaware Courts***"). Each party hereto hereby irrevocably submits to the non-exclusive jurisdiction of the Delaware Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any Delaware Court, or that such proceeding has been commenced in an improper or inconvenient forum. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

7.6 No Assignment. Neither this Agreement nor any rights or obligations under it are assignable by any party without the prior written consent of the other parties; provided, however, that this Agreement may be assigned (but only with all related obligations) by a Standby Purchaser without any such consent to an Affiliate of such Standby Purchaser who is also an affiliate of Greenwood Investments, Inc., and Steven Tannenbaum so long as, prior to the transfer, (x) the Company is, furnished with written notice of the name and address of such transferee with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement.

7.7 Counterparts. This Agreement may be executed in one or more counterparts and by different parties in separate counterparts. All such counterparts shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other parties.

7.8 Remedies; Waiver. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available. No failure on the part of any party to exercise or delay in exercising any right hereunder shall be deemed a waiver thereof, nor shall any single or partial exercise preclude any further or other exercise of such or any other right. Notwithstanding any other provision of this Agreement, it is understood

and agreed that remedies at law would be inadequate in the case of any breach of the covenants contained in this Agreement. The Company and the Standby Purchasers shall be entitled to equitable relief, including the remedy of specific performance, with respect to any breach or attempted breach of such covenants by the other party.

7.9 Severability. Any invalidity, illegality or unenforceability of any provision of this Agreement in any jurisdiction shall not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and shall not invalidate or render illegal or unenforceable such provisions in any other jurisdiction. The Company and the Standby Purchasers shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provision with a valid, legal and enforceable provision, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision.

7.10 Amendment; Waiver. This Agreement may be amended only by agreement in writing of each of the parties. No waiver of any provision nor consent to any exception to the terms of this Agreement shall be effective unless in writing and signed by the party to be bound and then only to the specific purpose, extent and instance so provided.

[the next page is the signature page]

[Signature Page to Standby Purchase Agreement]

IN WITNESS WHEREOF, the Company and each Standby Purchaser has caused this Agreement to be executed by their respective offers thereunto duly authorized all as of the date first written above.

PHOENIX FOOTWEAR GROUP, INC.

By: /s/ Steven M. DePerrior
Steven M. DePerrior, Chair, Special Committee

GREENWOOD CAPITAL LIMITED PARTNERSHIP

By Greenwood Investments, Inc., its General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

MGPLA, LIMITED PARTNERSHIP

By: Greenwood Investments, Inc., its General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

For Purposes of Section 5.13: GREENWOOD INVESTMENTS, INC.,

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

By: /s/ Steven Tannenbaum
Steven Tannenbaum

For Purposes of Section 5.13: RIEDMAN CORPORATION

/s/ James R. Riedman
James R. Riedman, President

/s/ James R. Riedman
James R. Riedman

[Signature Page to Standby Purchase Agreement]

For Purposes of Section 5.16: PENOBSCOT SHOE COMPANY

/s/ James R. Riedman

James R. Riedman, Chairman of the Board, Chief Executive Officer and President

EXHIBIT A

Schedule of Defined Terms
to
Standby Purchase Agreement

"***Action or Proceeding***" means any suit, action, proceeding (including any compliance, enforcement or disciplinary proceeding), arbitration, formal or informal inquiry, inspection, investigation or formal order of investigation of complaint.

"***Affiliate***" has the meaning set forth in Rule 12b-2 under the Exchange Act as in effect as on the date hereof.

"***Anti-Terrorism Laws***" means any law of the United States or any state thereof or political subdivision of the foregoing relating to terrorism or money laundering, including the Executive Order and the Patriot Act.

"***Board***" means the board of directors of the Company.

"***Business Day***" means any day except Saturday, Sunday and any day that is a federal legal holiday or a day on which banking institutions in The Commonwealth of Massachusetts are authorized or required by law or other governmental action to close.

"***Business Entity***" means any corporation, partnership, limited liability company, joint venture, association, partnership, business trust or other business entity.

"***Capital Stock***" means (A) in the case of a corporation, stock, (B) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of stock, (C) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests, and (D) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended.

"***Company Approvals***" has the meaning set forth in Section 3.5.

"***Company Contract***" means any indenture, mortgage, deed of trust, lease, contract, agreement, instrument or other undertaking or legally binding arrangement (whether written or oral) to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any of their respective properties or assets is bound.

"***Company Material Adverse Effect***" means a material adverse effect on (i) the ability of the Company to consummate any of the Transactions or to perform any of its obligations under this Agreement or (ii) the businesses, assets (including licenses, franchises and other intangible

assets), liabilities, financial condition or operating income of the Company and its Subsidiaries, taken as a whole, provided, however that in no event shall any of the following, alone or in combination, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been, a Company Material Adverse Effect: (a) a change in the market price or trading volume of Common Stock (but not any effect, event, development or change underlying such change to the extent that such effect, event, development or change would otherwise constitute a Company Material Adverse Effect); (b) changes in conditions in the U.S. or global economy or capital or financial markets generally, including changes in interest or exchange rates, except to the extent disproportionately affecting the Company; (c) changes in general legal, tax, regulatory, political or business conditions; (d) changes that are the result of factors generally affecting the industry in which the Company and the Subsidiaries operate, except to the extent disproportionately affecting the Company; (e) changes in applicable law or GAAP; (f) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement; or (g) earthquakes, hurricanes, floods, or other natural disasters.

"***Company Permits***" means all Regulatory Permits and all Miscellaneous Permits.

"***Convertible Notes (2011)***" mean those certain Amended and Restated Subordinated Secured 1% Convertible Notes, originally issued July 21, 2011, amended and restated July 30, 2012 and amended February 2, 2015 in the original principal amount of $500,000 each given by the Company and Penobscot Shoe Company in favor of Greenwood Capital LP and Greenwood Investors LP, respectively, and with the 2011 Note held by Greenwood Investors LP being assigned by Greenwood Investors LP to Greenwood Capital LP effective as of December 31, 2012.

"***Convertible Note (2012)***" means that certain that certain Subordinated Secured 1% Convertible Note, originally issued July 30, 2012, as amended by that certain Amendment to Subordinated Secured 1% Convertible Promissory Notes dated February 2, 2015, in the original principal amount of $350,000 given by the Company and Penobscot Shoe Company in favor MGPLA, LP

"***Contingent Obligation***" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto, other than obligations resulting from the endorsement of negotiable instruments for collection in the ordinary course of business.

"***Contractual Consent***" applicable to a specified Person in respect of a specified matter means any consent required to be obtained by such Person from any other Person party to any Contractual Obligation to which such first Person is a party or by which it is bound in order for such matter to occur or exist without resulting in the occurrence of a default or event of default or termination, the creation of any lien, the triggering of any decrease in the rights of such first

Person, any increase in the obligations of such first Person or any other consequence adverse to the interests of such first Person, under any provision of such Contractual Obligation.

"***Contractual Obligation***" means, as to any Person, any obligation arising out of any indenture, mortgage, deed of trust, contract, agreement, insurance policy, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound (including, without limitation, any debt security issued by such Person).

"***Convertible Securities***" means securities or obligations that are convertible into or exchangeable for shares of Capital Stock.

"***Disqualification Event***" has the meaning set forth in Section 4.13.

"***Employee Stock Incentive Plans***" means the Company's: (i) 2001 Long-Term Incentive Plan, as amended, (ii) 2011 Long-Term Incentive Plan, as amended, and (iii) any amendments, replacements or new plans, in each case, approved by the Board or any duly authorized committee thereof, including, without limitation, any employee stock purchase plans;

"***Employee Stock Options***" means any stock options granted pursuant to any Employee Stock Incentive Plan.

"***ERISA*"** means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"*ERISA Group*" means the Company and each of its Subsidiaries, as applicable, and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, or any of their respective Subsidiaries, are treated as a single employer under the Code.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"***FINRA***" means the Financial Industry Regulatory Authority.

"***Greenwood Notes***" means the following promissory notes issued by the Company: (i) the Subordinated Secured 1% Convertible Promissory Note in the original principal amount of $500,000 issued to Greenwood Capital, dated July 21, 2011, as amended July 30, 2012; (ii) the Subordinated Secured 1% Convertible Promissory Note in the original principal amount of $500,000 issued to Greenwood Investors, LP, a Massachusetts limited partnership, dated July 21, 2011, as amended July 30, 2012, as transferred to Greenwood Capital effective as of December 31, 2012; and, (iii) the Subordinated Secured 1% Convertible Promissory Note in the original principal amount of $350,000 issued to MGPLA dated July 30, 2012, and each note in paragraphs (i), (ii), and (iii), as subsequently amended February 2, 2015 to, among other things, extend the maturity date to July 31, 2020.

"***Governmental Authority***" means any government or political subdivision or department thereof, any governmental or regulatory body, commission, board, bureau, agency or

instrumentality, or any court or arbitrator or alternative dispute resolution body, in each case whether federal, state, local, foreign or supranational.

"***Indebtedness***" of any Person means, without duplication (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with GAAP) (other than trade payables and accrued liabilities incurred in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (vii) all indebtedness referred to in clauses (i) through (vii) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (viii) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (i) through (viii) above.

"***Insolvent***" means, with respect to any Person (i) the present fair saleable value of such Person's assets is less than the amount required to pay such Person's total Indebtedness, (ii) such Person is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (iii) such Person intends to incur or believes that it will incur debts that would be beyond its ability to pay as such debts mature.

"***Investor Covered Person***" has the meaning set forth in Section 4.13.

"***Investors Agreement***" means that certain Amended and Restated Investors Agreement dated as of July 30, 2012, between the Company, Greenwood Capital LP, Greenwood Investors LP, MGPLA LP, James Riedman and Riedman Corporation, as may be amended or supplemented from time to time.

"***Key Employees***" means James Riedman, Gregory Slack and Bruce Kaplan.

"***Knowledge of the Company***" means the knowledge of the executive officers of the Company after reasonable investigation or inquiry.

"***Liens***" means any security interests, liens, claims, pledges, mortgages, options, rights of first refusal, agreements, limitations on voting rights, charges, easements, servitudes, encumbrances and other restrictions of any nature whatsoever.

"***Miscellaneous Permits***" means all licenses, permits, certificates, franchises, ordinances, registrations, qualifications, and other rights, privileges, applications or authorizations filed with, granted or issued by any Governmental Authority other than Regulatory Permits.

"***Offering***" means the offer and issuance of up to an aggregate of 4.0 million shares of Common Stock at a purchase price of $0.50 per share to: (i) stockholders who are accredited investors in the Stockholder Offering on the terms set forth in the Offering Memorandum, and (ii) the Standby Purchasers pursuant to the Initial Purchase and the Standby Commitment.

"***Offering Memorandum***" means the Offering Memorandum of the Company to be provided to prospective investors in the Offering, in a form which is, in all material respects, in the form provided to the Standby Purchasers on the date hereof.

"***Offering Shares***" has the meaning set forth in the Recitals to the Agreement.

"***Organizational Document***" means, with respect to the Company or any Subsidiary, any certificate or articles of incorporation, memorandum of association, by-laws, partnership agreement, limited liability agreement, operating agreement, trust agreement or other agreement, instrument or document governing the affairs of the Company or such Subsidiary.

"***OTC Reports***" means all reports, schedules, forms, statements and other documents filed by the Company since January 1, 2013 through and including the date hereof, with the OTC Markets Group, Inc., pursuant to the reporting requirements of the OTC Markets Group, Inc.

"***Permitted Indebtedness***" means (i) Indebtedness in existence on the date hereof, and listed on Schedule 3.15 or permitted to be excluded from Schedule 3.15 pursuant to Schedule 3.15, (ii) Contingent Obligations in existence on the date hereof and listed on Schedule 3.15 or permitted to be excluded from Schedule 3.15 pursuant to Schedule 3.15, and (iii) purchase money Indebtedness incurred in connection with the acquisition, repair, improvement or construction of any property, equipment or other asset of the Company or any of its Subsidiaries.

"***Permitted Liens***" means (i) any Liens existing on the date hereof and specifically disclosed in Schedule 3.15; (ii) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and for which the Company maintains adequate reserves; (iii) Liens to secure payment of workers' compensation, employment insurance, old age pensions, social security or other like obligations incurred in the ordinary course of business; (iv) Liens incurred in connection with the extension, renewal or refinancing of indebtedness secured by Liens of the type described in clauses (i) through (iii) above, provided that any extension, renewal or replacement Lien shall be limited to the property (together with any accessions thereto and proceeds thereof) encumbered by any such Lien and the amount of such Permitted Lien does not exceed the amount of the lien extended, renewed or refinanced; (v) carriers', warehousemen's, mechanic's, materialmen's, repairmen's or other like liens arising in the ordinary course of business and securing obligations that are not due and payable or which are being contested in good faith for which adequate reserves have been established; (vi) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations; and (vii) easements, rights-of-way, restrictions and other similar

encumbrances on the use of real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company and the Subsidiaries.

"***Plan***" means at any time an employee pension plan benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under the Code and either (i) is maintained, or contributed to, by any member of the ERISA group for employees of any member of the ERISA group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA group.

"***Regulatory Permits***" means all licenses, permits, certificates, franchises, ordinances, registrations, qualifications, and other rights, privileges, applications or authorizations filed with, granted or issued by the Securities Exchange Commission, OTC Markets Group, Inc., any state securities or blue sky regulatory authority in which the Company maintains offices, FINRA or any self-regulatory organization.

"***Requirement of Law***" means any judgment, order (whether temporary, preliminary or permanent), writ, injunction, decree, statute, rule, regulation, notice, law or ordinance and shall also include any rules, regulations and interpretations of any applicable self-regulatory organizations including, without limitation, FINRA.

"***Restricted Stock***" means any shares of Common Stock issued (i) in the form of a Restricted Stock Award or (ii) upon the exercise of RSUs.

"***Restricted Stock Award***" means any award granted under an Employee Stock Incentive Plan consisting of a direct issuance of restricted stock.

"***RSU***" means a unit representing a right to purchase Restricted Stock that is subject to an RSU Award.

"***RSU Award***" means an award granted under an Employee Stock Incentive Plan in the form of RSUs.

"***SEC***" means the Securities and Exchange Commission.

"***Securities Act***" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"***Securities Purchase Agreement (2011)***" means that certain Securities Purchase Agreement dated as of July 21, 2011 between the Company, Greenwood Capital LP and Greenwood Investors, LP pursuant to which Greenwood Capital LP and Greenwood Investors, LP purchased from the Company the 2011 Notes.

"***Securities Purchase Agreement (2012)***" means that certain Securities Purchase Agreement dated as of July 30, 2012, between the Company and MGPLA LP under which MGPLA LP purchased from the Company the 2012 Note.

"***Senior Financing Agreement***" means that certain Loan and Security Agreement dated as of February 2, 2015, by and among the Company, Penobscot Shoe Company, a Maine corporation, the lenders from time to time party thereto, and Newstar Business Credit, LLC, a Delaware limited liability company, as administrative agent for the lenders for a secured revolving credit and term loan facility of up to $9,000,000.

"***Special Committee***" means that the committee of the Board of Directors comprised of Steven DePerrior and Frederick Port appointed by the Board of Directors on June 11, 2015, to review, approve and authorize the Offering and the Transactions.

"***Stockholder Offering***" has the meaning set forth in the Recitals to this Agreement.

"***Subsidiary***" means any Business Entity of which the Company (either alone or through or together with one or more other Subsidiaries) (x) owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such Business Entity, (y) is a general partner, managing member, trustee or other Person performing similar functions or (z) has control (as defined in Rule 405 under the Securities Act).

"***Tax Return***" means any return, report or similar statement (including the attached schedules) required to be filed with respect to any Tax, including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"***Tax***" means any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to, any tax imposed under Subtitle A of the Code and any net income, alternative or add-on minimum tax, gross income, gross receipts, sale, bulk sales, use, real property, personal property, ad valorem, value added, transfer, franchise, profits, license, withholding tax on amounts paid, withholding, payroll, employment, excise severance, stamp, capital stock, occupation, property, environmental or windfall profits tax, premium, custom, duty or other tax or assessment), together with any interest, penalty, addition to tax or additional amount thereto, imposed by any Governmental Authority.

"***Taxing Authority***" means any Governmental Authority (domestic or foreign) responsible for the imposition of any Tax.

"***Trading Market***" means whichever of the New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Capital Market or such other United States registered national securities exchange on which the Common Stock is listed for trading on the date in question, or if the Common Stock is not listed for trading on a registered national securities exchange, the OTC Bulletin Board or OTC Pink market operated by OTC Markets Group, Inc., or any successor market.

"***Transactions***" means the sale and issuance of the Offering Shares to the Standby Purchasers and other purchasers in the Offering, the execution and delivery of the Agreement and the consummation by the Company of the transactions contemplated thereby.

"***Voting Agreement***" means that certain Amended and Restated Voting Agreement dated as of July 30, 2012, between the Company, Steven Tannenbaum, Greenwood Investments Inc.,

Greenwood Capital LP, Greenwood Investors LP, James Riedman and Riedman Corporation, as may be amended or supplemented from time to time.

"***Voting Agreement Parties***" has the meaning set forth in Section 5.13(b).

EXHIBIT B

Schedule of Investors

Investor	Initial Purchase of Common Stock	Pro Rata Percentage of Committed Shares
Greenwood Capital LP c/o Greenwood Investments, Inc. Prudential Tower 800 Boylston Street, Suite 1450 Boston, Massachusetts 02199	1,669,237 shares	100.0%
MGPLA LP c/o Greenwood Investments, Inc. Prudential Tower 800 Boylston Street, Suite 1450 Boston, Massachusetts 02199	425,163 shares	0%
Total	2,094,400	100.0%

EXHIBIT C

Company Disclosure Schedules

DISCLOSURE SCHEDULES

Reference is made to the Standby Purchase Agreement, dated as of July 23, 2015 (the "Purchase Agreement"), between Phoenix Footwear Group, Inc., a Delaware corporation (the "Company"), and Greenwood Capital, L.P. and MGPLA, LP (the "Standby Purchasers"). This document constitutes the Disclosure Schedules defined in the Purchase Agreement, and referred to in Article III of the Purchase Agreement.

The fact that any item of information is contained herein shall not be construed to mean that such information is required to be disclosed by the Purchase Agreement. Such information shall not be used as a basis for interpreting the term "material," "materially," "materiality," or "material adverse effect" in the Purchase Agreement.

Terms defined in the Purchase Agreement and not otherwise defined in the Disclosure Schedules are used herein as defined in the Purchase Agreement. The section headings in the Disclosure Schedules are for convenience of reference only and shall not be deemed to alter or affect the express description of the sections of the Disclosure Schedules as set forth in the Purchase Agreement. The Disclosure Schedules are arranged in sections corresponding to the lettered and numbered Sections contained in the Purchase Agreement.

Unless otherwise stated, all statements made herein are made as of the date of the execution of the Purchase Agreement, or such date as may be referenced to in that Section of the Purchase Agreement to which the statement relates.

Schedule 3.1

Subsidiaries

Penobscot Shoe Company

Schedule 3.2(a)

Capitalization

(i) Common Stock – 8,418,362 outstanding shares (excluding Offering Shares)

(ii) Employee Stock Options – 1,010,000 shares of Common Stock reserved for issuance of upon exercise of outstanding options, as follows:

Name of Holder	Shares Underlying Options
James R. Riedman	350,000
Gregory W. Slack	200,000
Jose Lenhard	150,000
Michael Wienstein	60,000
Roger Butler	30,000
Bruce R. Kaplan	220,000
TOTAL:	**1,010,000**

(iii) Options outside of Employee Stock Incentive Plans – 50,000 shares reserved for issuance of upon exercise of outstanding options, as follows:

Name of Holder	Shares Underlying Options
Riedman Corp.	50,000

(iv) RSU Awards - 60,000 shares of Common Stock reserved for issuance of upon exercise of outstanding RSU Awards, as follows:

Name of Holder	Shares Underlying RSU:
Steven M. DePerrior – Director	20,000
Stephanie E. Pianka – Director	20,000
Frederick R. Port – Director	20,000
TOTAL:	**60,000**

(v) Reserved for Future Issuance under Employee Stock Incentive Plans - 987,204 shares

(vi) Greenwood Notes – 5,869,565 shares reserved for issuance upon conversion of the Greenwood Notes, as follows:

Name of Holder	Outstanding Principal Amount	Shares Underlying Notes
Greenwood Capital, LP	$1,000,000	4,347,826
MGPLA, LP	$350,000	1,521,739
TOTAL:		**5,869,565**

Schedule 3.2(b)

Convertible Securities

None other than the options and warrants described on Schedule 3.2(a).

Schedule 3.2(c)

Stock Rights and Anti-dilution Protections

i. Stock Purchase Rights: Outstanding Stock Purchase Rights consist of the options and warrants described on Schedule 3.2(a).

ii. Stock Appreciation Rights; Performance Stock Awards; Employee Incentive Awards: None.

iii. Other Stock Rights Agreements:

- The 2011 Long Term Incentive Plan provides the Compensation Committee of the Board of Directors with the authority to make such equitable changes or adjustments as it deems necessary or appropriate to outstanding awards under the Plan upon certain corporate transactions or events.

- The Amended and Restated Investor Agreement dated July 30, 2012, by and between the Company, Greenwood Capital LP, Greenwood Investors LP and MGPLA, LP.

Schedule 3.2(f)

Voting Agreements

The Amended and Restated Voting Agreement dated July 30, 2012, by and between the Company, Steven Tannenbaum, Greenwood Investments, Inc., Greenwood Capital LP, Greenwood Investors LP and MGPLA, LP.

Schedule 3.2(g)

Registration Agreements

1. *Stock Purchase Agreement, dated June 26, 1996, between Riedman Corporation and Daniel Green Company (n/k/a Phoenix Footwear Group, Inc.).* Section 4.6 provides registration rights for any and all "Common Stock" held by Riedman Corporation. The rights are limited to three (3) demand registration rights and unlimited piggy-back registrations. There is no time limit or expiration date on the rights.

2. *Daniel Green Company Stock Purchase Option, dated July 29, 1997.* Section 5(b) Provides registration rights of underlying shares. The option has no expiration date.

3. The Investors Agreement existing as of the date hereof provides for registration rights with respect to the Greenwood Capital LP, Greenwood Investors LP, and MGPLA, LP (the "Greenwood Investors"), under which they may make a demand for registration of the shares of Common Stock issuable upon conversion of secured 1% convertible notes, as well as other shares of Common Stock held by the Greenwood Investors and their affiliates.

Schedule 3.2(h)

Redemption Agreements

None.

Schedule 3.5(a)

Non-Contravention

Under the Loan and Security Agreement by and between the Company, Penobscot Shoe Company and NewStar Business Credit, LLC, dated February 2, 2015 (the "NewStar Loan Agreement"), the Company may not engage in any transaction with any Affiliate except in the ordinary course of business and in amounts and upon terms no less favorable to the Company than would be obtained in a comparable arm's-length transaction with a party who is not an Affiliate. "Affiliate" is defined as any person or entity which directly or indirectly is in control of fifteen percent (15%) or more of the outstanding equity in the Company. Greenwood Capital, LP and MGPLA, LP each currently own more than fifteen percent (15%) of the outstanding Common Stock of the Company. The Company is obtaining the consent of NewStar Business Credit, LLC and will deliver at the Initial Closing.

Under the Investors Agreement existing as of the date hereof, the Company shall not issue or obligate itself to issue any security; enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" of any such Person; or approve or authorize any transaction or series of related transactions outside the ordinary course of business involving $250,000 or more. See Investors Agreement §§ 4.1(i), 4.1(q), and 4.1(x). The Company is obtaining the consent of the parties to the Investors Agreement in Section 5.13 of the Agreement.

The employment agreement for Greg Slack contains a "Change of Control" provision. A "Change of Control" will occur if (i) the shareholders of the Company approve a definitive agreement to sell, transfer, or otherwise dispose of all or substantially all of the Company's assets and properties; or (ii) any person or entity other than Riedman Corporation or an affiliate becomes a "beneficial owner" of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities. Even if there is a "Change of Control" of the Company, no severance or other right to payment is triggered unless he is terminated without cause or terminates himself for "Good Reason." Good Reason is defined in the agreement to include a "material adverse reduction in Executive's base compensation, position, authority or responsibilities."

Schedule 3.5(c)

Company Contractual Consents

Under the NewStar Loan Agreement, the Company may not engage in any transaction with any Affiliate except in the ordinary course of business and in amounts and upon terms no less favorable to the Company than would be obtained in a comparable arm's-length transaction with a party who is not an Affiliate. "Affiliate" is defined as any person or entity which directly or indirectly is in control of fifteen percent (15%) or more of the outstanding equity in the Company. Greenwood Capital LP and MGPLA, LP each currently own more than fifteen percent (15%) of the outstanding Common Stock of the Company. The Company is obtaining the consent of NewStar Business Credit, LLC and will deliver at the Initial Closing.

Under the Investors Agreement existing as of the date hereof, the Company shall not issue or obligate itself to issue any security; enter into or be a party to any transaction with any director, officer, or employee of the Company or any "associate" of any such Person; or approve or authorize any transaction or series of related transactions outside the ordinary course of business involving $250,000 or more. See Investors Agreement §§ 4.1(i), 4.1(q), or 4.1(x). The Company is obtaining the consent of the parties to the Investors Agreement in Section 5.13 of the Agreement.

Schedule 3.7

Certain Changes since January 3, 2015

Company Material Adverse Events: None.

1. Declared or Paid Dividends: None.

2. Sale or Disposition of Material Assets Outside of the Ordinary Course of Business: None.

3. Performed or Committed Capital Expenditures: None.

Schedule 3.8

Litigation

Schedule 13D/A Filing:

On December 14, 2010, Mr. Riedman and Riedman Corporation (the "Reporting Persons") received a Comment Letter (the "Comment Letter") from the staff of the Securities and Exchange Commission (the "SEC") Division of Corporation Finance in response to the filing of Amendment No. 11 to Schedule 13D (the "Schedule 13D") filed on December 8, 2010. The Schedule 13D was filed in connection with the Company's going private transaction. The Comment Letter referred to Rule 13d-2(a), which requires that persons promptly file an amendment to a Schedule 13D to report any material change in the information previously reported. The SEC staff stated that it appeared to it that the filing of the Schedule 13D was delayed and requested that the Reporting Persons respond with a reason for the delay. The Reporting Persons submitted a response on June 13, 2011, and took the position that the Schedule 13D was filed promptly based on all of the facts and circumstances surrounding the going private transaction of the Company, including that: (i) the Schedule 13D was filed prior to any definitive proxy materials being filed for the Company's proposed going private transaction; (ii) the actual filing had no discernible effect on the market price of the Company's Common Stock; (iii) the transaction had little effect on the Reporting Persons' beneficial ownership percentage in the Company; and (iv) the information about the Reporting Persons' intent to support the Company's transaction had been already disclosed to the market at the time of filing the Schedule 13D by the filing of the Company's preliminary proxy statement on October 26, 2010. As of the date hereof, the Reporting Persons have not received a subsequent comment letter from the SEC.

Sale of Dolgeville Property:

On or about November 1, 2002, the Company sold the former Daniel Green shoe company manufacturing complex in Dolgeville, New York to Charles Soukup. The complex consisted of twenty (2) buildings and seventeen (17) acres of land. The purchase price was $100,000. The Company was notified by letter dated December 14, 2004, from the purchaser's attorneys, that on July 7, 2004, the purchaser of the property commenced litigation in the Supreme Court for the County of Herkimer, State of New York, against the Company, alleging that certain terms and conditions of the purchase and sale contract have been violated, including the following provision:

"22. Per Phase I Environmental Report, all items noted in said report to be removed from premises prior to closing."

The Plaintiff alleges that all items that were noted in the Phase I report are the responsibility of the seller to remove, including the extensive asbestos that is located throughout the buildings in the complex. The Plaintiff further alleges that the Company has failed to remove asbestos in the boiler room, failed to remove one (1) PCB transformer, and failed to remove

5,000 gallons of heating oil, all of which were identified in the Phase I reports. An Answer with Affirmative Defenses and discovery requests have been served in order to protect the interests of the Company going forward and to prevent the taking of a default judgment. As of this date, no discovery materials have been received, nor has a deposition been conducted. The Company, in its Answer, denies the material allegations of the Complaint and sets forth seven (7) separate and complete affirmative defenses in which it takes the position that the Company never agreed, nor is it legally obligated, to pay for any additional costs that may be incurred by the Plaintiff in relation to the property in question. It is the Company's position that the only items that were noted in the Phase I environmental reports for removal were a number of 55-gallon drum containers that were located on-site, and all of those drums have been removed at the expense of the Company. The Plaintiff has demanded judgment for $75,000, together with interest, costs and disbursements.

There has been no legal action in this matter following the service of responsive pleadings and discovery demands. At this time, we are unable to estimate the amount or range of potential loss.

Dolgeville Environmental Clean-up:

On or about February 24, 2005, Ensol, Inc. (the "Plaintiff") commenced a Supreme Court, County of Niagara, State of New York action against the Company, Donald Welch and T. Peter Poetzsch, as Escrow Agent. This case is directly related to the above litigated matter Charles Soukup, *et al*. vs. Phoenix Footwear Group, Inc. The basis of the second action is that at the time of the closing of the sale of the former Daniel Green Shoe Company manufacturing complex in Dolgeville, New York from the Company to Charles J. Soukup, certain removal work on the property had not been completed. An estimate to complete that work in the amount of $8,000-$12,000 was received from a representative of the Plaintiff. The quotation indicated that the remaining clean-up work was not to exceed $12,000. An escrow account was set up to pay for that work, and $12,000 was paid into that account and was to be held by the attorney for the buyer, Co-Defendant, T. Peter Poetzsch. Those escrow funds were specifically designated to pay for the remaining work to be performed by the Plaintiff.

Following closing, the Defendant (Company) paid to the Plaintiff the sum of $9,971.00. Any additional monies were to be paid out of the escrow account. Although multiple requests had been made by the Plaintiff for payment of the remaining balance, the Escrow Agent has refused to release any of the funds and the Plaintiff's invoice remains unpaid. The Company answered the Complaint, set forth multiple affirmative defenses and cross-claims, and served its discovery demands. The Answer was served on or about June 20, 2005, and there has been no discovery information provided and no additional legal action has taken place in this case. It is the legal position of the Company that if any additional monies are due, those funds have already been paid in to the escrow account and the Co-Defendant, T. Peter Poetzsch, as Escrow Agent, should be responsible for payment of all additional sums found due and owing. In 2010, the Escrow Agent retired and moved to the State of Florida. The attorney for Mr. Soukup requested that all funds be turned over to his client. The Company objected and demanded that the funds remain in an escrow account. There has been no additional action in this matter.

Schedule 3.11

Tax Audits

None.

Schedule 3.14(c)

Proceedings

On December 14, 2010, Mr. Riedman and Riedman Corporation (the "Reporting Persons") received a Comment Letter (the "Comment Letter") from the staff of the Securities and Exchange Commission ("SEC") Division of Corporation Finance in response to the filing of Amendment No. 11 to Schedule 13D (the "Schedule 13D") filed on December 8, 2010. The Schedule 13D was filed in connection with the Company's going private transaction. The Comment Letter referred to Rule 13d-2(a), which requires that persons promptly file an amendment to a Schedule 13D to report any material change in the information previously reported. The SEC staff stated that it appeared to it that the filing of the Schedule 13D was delayed and requested that the Reporting Persons respond with a reason for the delay. The Reporting Persons submitted a response on June 13, 2011, and took the position that the Schedule 13D was filed promptly based on all of the facts and circumstances surrounding the going private transaction of the Company, including that: (i) the Schedule 13D was filed prior to any definitive proxy materials being filed for the Company's proposed going private transaction; (ii) the actual filing had no discernible effect on the market price of the Company's common stock; (iii) the transaction had little effect on the Reporting Persons' beneficial ownership percentage in the Company; and (iv) the information about the Reporting Persons' intent to support the Company's transaction had been already disclosed to the market at the time of filing the Schedule 13D by the filing of the Company's preliminary proxy statement on October 26, 2010. As of the date hereof, the Reporting Persons have not received a subsequent comment letter from the SEC.

Schedule 3.14(d)

Restrictive Agreements

None.

Schedule 3.15

Permitted Indebtedness

1. Outstanding Indebtedness:

The Company has outstanding debt in connection with subordinated secured 1% convertible promissory notes held by MGPLA, LP, Greenwood Capital LP, and Greenwood Investors LP.

On July 1, 2013, the Company completed the sale and contemporaneous leaseback of the land and warehouse (the "Property") located in Old Town, Maine owned by Penobscot Shoe Company to Old Town Partners, LLC (the "Buyer"), pursuant to the terms of a purchase and sale agreement (the "PSA"). Under the PSA, the Company sold the Property to the Buyer for $620,000. Concurrently with the sale, the Company entered into a 10 year commercial lease of the Property with the Buyer.

On November 11, 2013, the Company entered into an Economic Recovery Loan Agreement (the "Equipment Loan") with the Finance Authority of Maine for a five year term loan, collateralized by all machinery, equipment, furniture, furnishings, fixtures, tools and leasehold improvements located at the Company's Old Town, Maine warehouse and distribution center. The Equipment Loan, consisting of a secured five year term loan in the principal amount of $200,000, bears interest at a fixed per annum rate of 6.0%.

On February 2, 2015, the Company and Penobscot Shoe Company entered into the NewStar Loan Agreement. The NewStar Loan Agreement provides for up to $9.0 million in borrowing capacity consisting of a revolving line of credit facility of up to $8.0 million (subject to a borrowing base as defined in the NewStar Loan Agreement) with a five-year maturity (the "RLOC") and a term loan of $1.0 million (the "Term Loan"). Interest on the principal amount outstanding under the RLOC accrues at a rate equal to the greater of (i) the rate per annum published on each Business Day in the "Money Rates" table of *The Wall Street Journal* as the one-month LIBOR rate, adjusted daily, and (ii) 1.0% (such greater amount, the "LIBOR Rate") plus 3.75%. Interest on the amount outstanding under the Term Loan accrues at the rate equal to the LIBOR Rate plus 5%. The principal amount of the Term Loan is payable in 36 equal monthly installments of $27,778, together with accrued interest, on the first day of each calendar month beginning March 1, 2015. The obligations of the Company as the borrower under the NewStar Loan Agreement have been guaranteed by Penobscot Shoe Company. As security for the obligations of the Company and Penobscot Shoe Company under the NewStar Loan Agreement, the Company and Penobscot Shoe Company have each granted NewStar (for the benefit of the lenders party to the NewStar Loan Agreement) a security interest in all of their personal property.

2. Violation or Default:

None.

Schedule 3.18

Material Contracts

(a) In connection with the financing contemplated by the NewStar Loan Agreement, the Company and/or Penobscot Shoe Company ("Penobscot") are a party to the following Material Contracts, which unless otherwise indicated, are dated February 2, 2015:

1. Loan and Security Agreement by and among the Company, and Penobscot Shoe Company ("Penobscot" and, together with the Company, the "Borrower"), and NewStar Business Credit, LLC ("Senior Lender").

2. Guaranty Agreement given by Penobscot as Guarantor to Senior Lender.

3. Security Agreement given by Penobscot in favor of Senior Lender.

4. Trademark Security Agreement given by Borrower in favor of Senior Lender.

5. Trademark Security Agreement given by Penobscot in favor of Senior Lender.

6. Patent Security Agreement made by Borrower in favor of Senior Lender.

7. Subordination and Intercreditor Agreement with Greenwood Capital LP, Greenwood Investors LP and MGPLA, LP.

8. Deposit Account Control Agreement by Alostar Bank of Commerce, Borrower and Senior Lender.

9. Deposit Account Control Agreement by Pacific Western Bank, Borrower and Senior Lender.

10. Deposit Account Control Agreement by BOKF, N.A. d/b/a Bank of Texas (Security Interest in Deposit Account-Contingency), Borrower and Senior Lender.

11. Deposit Account Control Agreement by BOKF, N.A. d/b/a Bank of Texas (Security interest in Lockbox Remittances and Deposit Account – Blocked Account), Borrower and Senior Lender.

12. Amendment to Subordinated Secured 1% Convertible Promissory Notes, dated as of February 2, 2015, between Borrower, Penobscot, Greenwood Capital LP and MGPLA LP

(b) In connection with financing related to the Company entering into an Economic Recovery Loan Agreement with the Finance Authority of Maine, the Company and/or

Penobscot are a party to the following Material Contracts, which unless otherwise indicated, are dated November 8, 2013:

1. Loan Agreement by and between the Company and Finance Authority of Maine Economic Recovery Loan Program ("FAME").

2. Security Agreement given by Borrower in favor of FAME.

3. Security Agreement given by Penobscot in favor of FAME.

4. $200,000 Promissory Note given by Borrower in favor of FAME.

5. Entity Guaranty given by Penobscot in favor of FAME.

(c) In connection with debt relating to the sale and leaseback by Penobscot of real estate located at 107 Main Street, Old Town, Maine, Penobscot is a party to the following Material Contracts which, unless otherwise indicated, are dated June 28, 2013:

1. Contract for the Sale of Commercial Real Estate by and between Old Town Partners, LLC and Penobscot

2. Commercial Net Lease between Old Town Partners, LLC, as landlord, and Penobscot, as tenant, guaranteed by the Company.

(d) The Company has entered into the following other Material Contracts:

1. License Agreement by and between Phoenix Footwear Group, Inc. and Touchstone Television Products, LLC d/b/a ABC Studios, dated March 26, 2013.

2. Independent Sales Agency Agreement by and between Phoenix Footwear Group, Inc. and Barco Uniforms, Inc., dated June 13, 2015.

3. Employment Agreement by and between Phoenix Footwear Group, Inc. and Greg W. Slack, dated March 31, 2011.

4. Employment Agreement by and between Phoenix Footwear Group, Inc. and Jose Lenhard, dated December 15, 2009.

Schedule 3.19

Compliance

The disclosures in Schedule 3.8 “Litigation” are incorporated in this Schedule.

Schedule 3.20

Affiliate Transactions

The Company has engaged Burke Group, which is an independent compensation and retirement consulting business owned in part by Steve DePerrior, to provide administrative services for the Company's 401(k) Plan for its forty (40) employees. Fees paid to the Burke Group, as the 401(k) Administrator, are based on float interest earned during transaction processing. Nothing was paid directly to the Burke Group by the Company in fiscal 2010. The Burke Group invoiced the Company $1,000 in May 2011 for compliance testing in connection with the Company's 401(k) audit, scheduled August 1, 2011, with Mayer Hoffman McCann. The Burke Group invoiced the Company $16,932 in 2012, $13,749 in 2013, $11,451.56 in 2014, and $7,836.03 in 2015 (year to date) for service fees in connection with administering the Company's 401(k) Plan.

The Company entered into a Securities Purchase Agreement with Capital and Greenwood Investors (collectively, the "Holders"), dated as of July 21, 2011, (the "2011 Purchase Agreement"), which provided for the issuance to the Holders of subordinated secured convertible notes in an aggregate amount of up to $1.0 million (the "2011 Notes"), as described in the 2011 Purchase Agreement. The Holders are affiliates of and are managed by Greenwood Investments, Inc. ("Greenwood"), their sole general partner. Steven Tannenbaum is the President of Greenwood (the Investors, Greenwood and Mr. Tannenbaum are referred to collectively herein as the "Greenwood Parties"). The Greenwood Parties were existing beneficial owners of in excess of five percent (5%) of the issued and outstanding common stock of the Company prior to the transaction.

The Company entered into a Purchase Agreement with MGLPA, L.P. in July 2012 for the purchase of a convertible note in the amount of $350,000, along with the Investors Agreement and Voting Agreement. MGPLA, L.P. is managed by the Greenwood Parties.

Schedule 3.29

Property

Owned Real Property:

- 30 acres of vacant land in Dolgeville, New York.

Leased Real Property:

- 5,195 square feet of office space in Carlsbad, California.
- 2,000 square feet of office space in Dongguan, People's Republic of China.
- 75,000 square foot warehouse in Old Town, Maine.

Leases:

Standard Industrial/Commercial Multi-Tenant Lease – Gross, dated January 13, 2011, by and between Morgan-Alton, Ltd., a California limited partnership, as Lessor, and the Company, as Lessee, for the premises known as 5937 Darwin Court, Suites 108 and 109, Carlsbad, California 92008. (25 pages)

Contract of Real Estate Tenancies in Guangzhou, for the real estate located at Huichen Building 8F, Room #808, month-to-month. (6 pages)

Commercial Lease (Net Lease) with Old Town Partners, LLC (Landlord) dated June 21, 2013 for the warehouse in Old Town, Maine.

Schedule 3.30

Environmental Matters

None, other than the information included in the Sale of Dolgeville description on Schedule 3.8.

EXHIBIT D

Form of Legal Opinion

July 23, 2015

Greenwood Capital LP
MGPLA, LP
c/o Greenwood Investments, Inc.
Prudential Tower
800 Boylston Street, Suite 1450
Boston, Massachusetts, 02199

Re: Phoenix Footwear Group, Inc. – Standby Purchase Agreement dated July 23, 2015

Ladies and Gentlemen:

We have acted as counsel to Phoenix Footwear Group, Inc., a Delaware corporation (the "***Company***"), in connection with the issuance and sale of the Shares by the Company in the Initial Purchase pursuant to that certain Standby Purchase Agreement dated as of July 23, 2015, by and between Greenwood Capital LP, a Massachusetts limited partnership, and MGPLA, Limited Partnership, a Massachusetts limited partnership (each a "***Standby Purchaser***" and collectively, the "***Standby Purchasers***"), and the Company (the "***Standby Purchase Agreement***"). This opinion letter is delivered to you at the request of the Company pursuant to Section 2.3(c) of the Standby Purchase Agreement. Capitalized terms defined in the Standby Purchase Agreement are used herein as therein defined.

As such counsel, we have assisted in the preparation of the Standby Purchase Agreement. In connection with this opinion, we have also examined and are familiar with and have relied upon the following documents:

(a) The Amended and Restated Certificate of Incorporation of the Company;

(b) The Amended and Restated By-Laws of the Company;

(c) A Certificate of the Secretary of State of Delaware, dated as of July 22, 2015, certifying as to the legal existence and good standing of the Company in Delaware;

(d) A Certificate of the Secretary of State of California, dated as of July 23, 2015, certifying as to the good standing of the Company in California;

(e) A Certificate of the Secretary of the Company attesting to (i) the Certificate of Incorporation of the Company, (ii) the Bylaws of the Company, (iii) the

resolutions of the Board of Directors of the Company and Special Committee authorizing the execution and delivery of the Standby Purchase Agreement, and the sale of the Shares;

(f) Resolutions of the Board of Directors of the Company and Special Committee approving the Offering and authorizing, among other things, the execution, delivery and performance by the Company of the Standby Purchase Agreement (including the issuance of the Shares);

(g) A Certificate addressed to us and dated the date hereof executed by the Company containing certain factual and other representations (the "***Management Certificate***");

(h) The Compliance Certificate of the Company described in Section 2.3(b) of the Standby Purchase Agreement;

(i) The documents listed on Schedule A hereto; and

(j) Such other documents, opinions, instruments and certificates (including, but not limited to, certificates of public officials and officers of the Company) as we have considered necessary for purposes of this opinion.

In addition to the assumptions listed below in this opinion, in rendering the opinions set forth in this opinion letter, we have with your consent assumed, and have not independently verified, the following: (i) the legal capacity of each natural person; (ii) the legal existence of all parties to the transactions referred to in the Standby Purchase Agreement excluding the Company; (iii) the power and authority of each person other than the Company or person(s) acting on behalf of the Company to execute, deliver and perform each document executed and delivered and to do each other act done or to be done by such person; (iv) the authorization, execution and delivery by each person other than the Company or person(s) acting on behalf of the Company of each document executed and delivered or to be executed and delivered by such person; (v) the legality, validity, binding effect and enforceability as to each person other than the Company or person(s) acting on behalf of the Company and Subsidiary of each document executed and delivered or to be executed or delivered and of each other act done or to be done by such person; (vi) those transactions referred to in the Standby Purchase Agreement have been consummated or will be consummated; (vii) the payment of all the required documentary stamps taxes and fees imposed upon the execution of the Standby Purchase Agreement; (viii) the completeness of each document submitted to us, the authenticity of each document reviewed by us as an original, the conformity to the original of each document reviewed by us as a copy and the authenticity of the original of each document received by us as a copy; (ix) the genuineness of each signature (other than the signatures of the officers of the Company) on all such documents examined by us; (x) the truthfulness of each statement as to all factual matters otherwise not known to us to be untruthful contained in any document encompassed within the due diligence review undertaken by us; (xi) the accuracy on the date of this letter as well as on the date stated in all governmental certifications of each statement as to each factual matter

contained in such governmental certifications; (xii) that the Standby Purchasers have acted in good faith, without notice of adverse claims, and have complied with all laws applicable to them that affect the transactions referred to in the Standby Purchase Agreement; (xiii) that the transactions referred to in the Standby Purchase Agreement comply with all tests of good faith, fairness and conscionability required by law; (xiv) that routine procedural matters such as service of process or qualification to do business in the relevant jurisdictions will be satisfied by the parties seeking to enforce the Standby Purchase Agreement; (xv) that all statutes, judicial and administrative decisions, and rules and regulations of governmental agencies constituting the law for which we are assuming responsibility are published (e.g., reported court decisions and the specialized reporting services of BNA, CCH and Prentice-Hall) or otherwise generally accessible (e.g., LEXIS or WESTLAW) in each case in a manner generally available (i.e., in terms of access and distribution following publication) to lawyers practicing in the United States Court of Appeals for the Second Circuit; (xvi) that other agreements related to the transactions referred to in the Standby Purchase Agreement will be enforced as written; (xvii) that no action, discretionary or otherwise, will be taken by or on behalf of the Company in the future that might result in a violation of law; (xviii) the Standby Purchase Agreement accurately describes and contains the mutual understanding of the parties as to all matters contained therein, and that no other agreements or understandings exist between the parties that would modify the terms of the Standby Purchase Agreement or the respective rights or obligations of the parties to the Standby Purchase Agreement; (xix) that with respect to the Standby Purchase Agreement and to the transactions referred to therein, there has been no mutual mistake of fact and there exists no fraud or duress; (xx) there have been no undisclosed modifications of any provision of any document reviewed by us in connection with the rendering of the opinions set forth in this opinion letter and no undisclosed prior waiver of any right or remedy contained in the Standby Purchase Agreement; (xxi) that the delisting of the Company's common stock from NYSE Amex did not result from action taken, directly or indirectly, by an "interested stockholder" (as defined in Section 203 of the General Corporation Law of the State of Delaware ("***DGCL***")), and that Section 203 of the DGCL is not applicable to the Standby Purchasers pursuant to subsection (b)(4) thereof; and (xxii) the constitutionality and validity of all relevant laws, regulations and agency actions unless a reported case has otherwise held or widespread concern has been expressed by commentators as reflected in materials which lawyers routinely consult. We are expressing no opinion herein as to the application of or compliance with any federal, state or local law or regulation relating to the power, authority or competence of any party to the Standby Purchase Agreement other than the Company.

Our opinions expressed in paragraph 1 below, insofar as they relate to the due organization, legal existence and good standing of the Company, are based solely on the certificate identified in paragraph (c) above, and are rendered as of the date thereof.

In connection with the opinions expressed in paragraphs 5 and 6 below, we have not conducted any special investigation of statutes, rules, regulations or orders and our opinion is limited to such New York, Delaware General Corporation Law and United States orders, statutes, rules or regulations as in our experience are of general application to transactions of the sort contemplated by the Standby Purchase Agreement.

As to certain questions of fact material to this opinion, we have relied solely upon, and assumed the accuracy, completeness, and genuineness of the Management Certificate and certificates of public officials and oral and written representations made to us by officers of the Company. In addition, we have assumed that the representations and warranties as to factual matters made by the Standby Purchasers in Article IV of the Standby Purchase Agreement are true and correct. We have not attempted to verify independently such facts and we have not conducted an independent audit of the Company or its files.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Company is a corporation that is validly existing and is in good standing under the laws of the State of Delaware.

2. The Company has full corporate power and authority necessary to carry on the business in which it is engaged, and to own and use its properties and conduct its business.

3. The Company has full corporate power and authority to consummate the Offering and enter into the Standby Purchase Agreement, and to perform its obligations thereunder and to consummate the transactions contemplated thereby, including the power and authority to issue the Shares at the Initial Purchase and any Shares at the Standby Purchase Closing (if it occurs). The execution, delivery and performance of the Standby Purchase Agreement by the Company, and the consummation by the Company of the transactions contemplated thereby and by the Offering, including the issuance of the Shares at the Initial Purchase and any Shares at the Standby Purchase Closing (if it occurs), have been duly and validly authorized by the Board of Directors of the Company and Special Committee of the Board of Directors and are not required to be submitted to the stockholders of the Company for their approval.

4. The Standby Purchase Agreement has been duly and validly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against it in accordance with their terms.

5. The execution, delivery and performance by the Company of the Standby Purchase Agreement and the consummation by the Company of the transactions contemplated thereby (including issuing the Shares at the Initial Purchase and any Shares at the Standby Purchase Closing (if it occurs)) does not (i) violate either the Company's certificate of incorporation or by-laws, or (ii) violate or contravene any license, permit, judgment, decree, order, statute, law, rule or regulation applicable to the Company or its property or business and existing on the date hereof and known to us, or (iii) violate, contravene or result in a default under the Senior Debt Documents.

6. Based on the representations and warranties of each Standby Purchaser in Article IV of the Standby Purchase Agreement, no authorization, approval, consent, waiver or other action or consideration by, and no notice to or filing with, any Governmental Authority is required for the due execution and delivery by the Company of the Standby Purchase Agreement, or the performance by the Company of its obligations thereunder with respect to the

Initial Purchase of the Shares and any Shares at the Standby Purchase Closing (if it occurs), except for (i) such consents, approvals, authorizations, registration or qualifications as may be required under state securities or blue sky laws in connection with the issuance of the Shares pursuant to the Standby Purchase Agreement, and (ii) the filing of a Form D by the Company with the SEC and the appropriate departments of the applicable states to be made under the Securities Act of 1933, as amended, after the issuance of the Shares.

7. Based on and assuming the accuracy of the representations and warranties set forth in the Standby Purchase Agreement and each Standby Purchaser's representations in Article IV of the Standby Purchase Agreement, as of the Initial Closing and the Standby Closing Date (if it occurs), as applicable, the Shares to be issued in the Initial Purchase and at the Standby Purchase Closing (if it occurs) may be issued to the Standby Purchasers pursuant to the Standby Purchase Agreement without registration under the Securities Act of 1933, as amended.

8. Except as provided on Schedule 3.8 to the Standby Purchase Agreement, to our knowledge there are no actions, suits, or adversarial proceedings currently pending against the Corporation before any court, administrative or regulatory governmental agency or arbitration body which questions the validity of the Standby Purchase Agreement or which, if adversely determined, would be likely to cause a Material Adverse Change.

Whenever a statement herein is qualified by to "the best of our knowledge," "our knowledge" or to any matter "known to us," "of which we are aware" or "coming to our attention" or any variation of any of the foregoing it means that, during the course of our representation of the Company for the purposes of this opinion letter, (1) no information that would give those lawyers who participated in the preparation of the letter (collectively, the "***Opinion Letter Participants***") current actual knowledge of the inaccuracy of such statement has come to their attention; (2) we have not undertaken any independent investigation or inquiry to determine the accuracy of such statement; (3) any limited investigation or inquiry otherwise undertaken by the Opinion Letter Participants during the preparation of this opinion letter should not be regarded as such an investigation or inquiry; and (4) no inference as to our knowledge of any matters bearing on the accuracy of any such statement should be drawn from the fact of our representation of the Company.

We also call to your attention to the fact that our engagement by the Company during the past year has been limited to specific matters as to which we were consulted, and as such we are not familiar with all aspects of the Company's business affairs. The validity, binding effect and enforceability of the Standby Purchase Agreement may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statutes, rules, regulations or other laws affecting the enforcement of creditors' rights and remedies generally and (b) the unavailability of, or limitation on the availability of, a particular right or remedy (whether in a proceeding in equity or at law) because of an equitable principle or a requirement as to commercial reasonableness, conscionability or good faith.

The foregoing opinions are subject to the following qualifications:

A. We express no opinion as to the effect of general principles of equity, including, but not limited to, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief (regardless of whether such remedy is considered in a proceeding in equity or at law).

B. We express no opinion as to the effect on the enforceability of any contract of applicable bankruptcy, insolvency, reorganization, moratorium and other similar federal and state laws affecting the rights of creditors generally.

C.. We express no opinion as to compliance with the anti-fraud provisions of state and federal laws, rules and regulations concerning the issuance of securities or as to the compliance with any state securities laws.

D. We express no opinions as to the application of the laws of usury to the Standby Purchase Agreement.

E. We express no opinion as to compliance by the Board of Directors of the Company or the Special Committee of the Board of Directors, with their respective fiduciary obligations in connection with their approval of or participation in the transactions contemplated in the Standby Purchase Agreement or its effect on the enforceability thereof or on any other aspect of such transactions.

F. We are members of Bar of the State of New York and we are not expressing any opinion relating to any jurisdiction other than the federal laws of the United States of America, the laws of the State of New York and the DGCL.

G. We note that the Standby Purchase Agreement is governed by Delaware law. For purposes of our opinions we have assumed that Delaware law is the same as New York law and have based our opinions thereon as though the Standby Purchase Agreement is governed by New York law, and have not taken into account any conflicts rules that might apply. You consent to the foregoing and acknowledge a Court of law would apply Delaware law to the Standby Purchase Agreement which might result in a different outcome than we have opined on in this opinion letter.

The foregoing opinion is intended solely for your benefit and is not to be made available to or be relied upon by any other person, firm, or entity without our express prior written consent. We assume no obligation to advise you of any fact, circumstance, event or change in the law or the facts that may hereafter be brought to our attention, whether or not they would affect or modify the opinions expressed herein.

Very truly yours,

WOODS OVIATT GILMAN LLP

SCHEDULE A
to Woods Oviatt Gilman LLP
letter dated July 23, 2015

(a) The Company and/or Penobscot Shoe Company, a Maine corporation ("***Penobscot***"), are a party to the following agreements and instruments, which unless otherwise indicated, are dated February 2, 2015, and for purposes of this letter are referred to herein as the "***Senior Debt Documents***":

1. Loan and Security Agreement by and among the Company, and Penobscot Shoe Company ("***Penobscot***" and, together with the Company, the "***Borrower***"), and NewStar Business Credit, LLC ("***Senior Lender***").

2. Guaranty Agreement given by Penobscot as Guarantor to Senior Lender.

3. Security Agreement given by Penobscot in favor of Senior Lender.

4. Trademark Security Agreement given by Borrower in favor of Senior Lender.

5. Trademark Security Agreement given by Penobscot in favor of Senior Lender.

6. Patent Security Agreement made by Borrower in favor of Senior Lender.

7. Subordination and Intercreditor Agreement with Greenwood Capital LP, Greenwood Investors LP and MGPLA, LP.

8. Amendment to Subordinated Secured 1% Convertible Promissory Notes between Borrower, Penobscot, Greenwood Capital LP and MGPLA LP

EXHIBIT 10.2

AMENDMENT NO. 1 TO AMENDED AND RESTATED INVESTOR AGREEMENT

THIS AMENDMENT NO. 1 TO THE AMENDED AND RESTATED INVESTOR AGREEMENT (this "**Amendment**"), dated as of July 23, 2015, between PHOENIX FOOTWEAR GROUP, INC. a Delaware corporation (the "**Company**"), and GREENWOOD CAPITAL LP and MGPLA, LP (collectively the "**Investors**") and, for the purposes of Section 4.5 (Standstill), James R. Riedman and Riedman Corporation.

WHEREAS, the Company, the Investors, Greenwood Investors, LP, and, for the purposes of Section 4.5 (Standstill) thereof, James R. Riedman and Riedman Corporation, are parties to that certain Amended and Restated Investor Agreement dated as of July 30, 2012 (the "**Prior Agreement**").

WHEREAS, the Company, the Investors, and for the purposes of Section 5.13 thereof, Greenwood Investments, Inc., Steven Tannenbaum, James R. Riedman and Riedman Corporation, are parties to that certain Standby Purchase Agreement dated of even date herewith (the "**Standby Purchase Agreement**"), whereby the Investors have agreed to purchase additional common stock from the Company upon the terms set forth therein.

WHEREAS, Greenwood Investors, LP assigned all securities held by it in the Company to Greenwood Capital LP on December 31, 2012, and subsequently dissolved and is no longer a party to the Prior Agreement.

WHEREAS, in connection with the Standby Purchase Agreement, the Company and the Investors, wish to amend the Prior Agreement as provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Amendment, intending to be legally bound, agree as follows:

1. Amendment. Section 5.1 of the Prior Agreement is deleted and replaced in its entirety with the following:

> 5.1 No Assignment. Notwithstanding anything to the contrary herein, neither the Company nor any Investor shall assign this Agreement without the prior written consent of the other; provided however, that (i) that this Agreement may be assigned (but only with all related obligations) by an Investor to a transferee of Common Stock or Notes that is an Affiliate of such Investor and who is also an Affiliate of Steven Tannenbaum and Greenwood Investments, Inc., and (ii) without limiting clause (i), the registration rights provided in Section 2 under this Agreement may be assigned (but only with all related obligations) by an Investor to a transferee of Registrable Securities that after such transfer holds (with its Affiliates) at least 1,000,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, recapitalizations and the like); and provided further, however, that prior to the transfer, (x) the Company is, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement. The terms and conditions of

this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

2. Other Terms and Provisions; Reaffirmation. Except as otherwise specifically provided herein, all terms, provisions and conditions of the Prior Agreement remain in full force and effect.

3. Delivery of Certain Documents. The Investors hereby covenant and agree to promptly deliver after the date hereof a true and complete copy of the assignment document from Greenwood Investors LP to Greenwood Capital LP.

4. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware.

5. Counterparts; Signatures by Electronic Transmission. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party. This Amendment may be delivered by facsimile transmission, email or other similar electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Investor Agreement as of the date first written above.

PHOENIX FOOTWEAR GROUP, INC.

By: /s/ James R. Riedman
James R. Riedman, CEO

GREENWOOD CAPITAL LIMITED PARTNERSHIP

By: Greenwood Investments, Inc.,
General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

MGPLA, LIMITED PARTNERSHIP

By: Greenwood Investments, Inc.,
General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

EXHIBIT 10.3

AMENDMENT NO. 1 TO AMENDED AND RESTATED VOTING AGREEMENT

THIS AMENDMENT NO. 1 TO THE AMENDED AND RESTATED VOTING AGREEMENT (this "**Amendment**"), dated as of July 23, 2015, between PHOENIX FOOTWEAR GROUP, INC. a Delaware corporation (the "**Company**"), Steven Tannenbaum ("**Mr. Tannenbaum**"), individually, Greenwood Investments, Inc. ("**Greenwood**"), and GREENWOOD CAPITAL LP and MGPLA, LP (collectively the "**Investors**" and together with Mr. Tannenbaum', and Greenwood, the "**Greenwood Stockholders**"), and, James R. Riedman ("**Mr. Riedman**"), individually, and Riedman Corporation (the "**Riedman Stockholders**" and together with the Greenwood Stockholder, the "**Stockholders**").

WHEREAS, the Company, the Greenwood Stockholders and the Riedman Stockholders are parties to that certain Amended and Restated Voting Agreement dated as of July 30, 2012 (the "**Prior Agreement**").

WHEREAS, the Company, the Investors, and for the purposes of Section 5.13 thereof, Greenwood, Mr. Tannenbaum, Mr. Riedman and Riedman Corporation, are parties to that certain Standby Purchase Agreement dated of even date herewith (the "**Standby Purchase Agreement**"), whereby the Investors have agreed to purchase additional common stock from the Company upon the terms set forth therein.

WHEREAS, Greenwood Investors, LP assigned all securities held by it in the Company to Greenwood Capital LP on December 31, 2012, and subsequently dissolved and is no longer a party to the Prior Agreement.

WHEREAS, in connection with the Standby Purchase Agreement, the Company, the Greenwood Stockholders and the Riedman Stockholders, wish to amend the Prior Agreement as provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Amendment, intending to be legally bound, agree as follows:

1. Amendment. Section 6.2(b) of the Prior Agreement is deleted and replaced in its entirety with the following:

(b) Successors; No Assignment. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors of the parties. Neither party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other party hereto; provided however, that the rights under this Agreement may be assigned (but only with all related obligations) by a Greenwood Stockholder without any such consent to an assignee of Notes or Shares who is also an Affiliate of Steven Tannenbaum and Greenwood Investments, Inc. Any assignment contrary to the provisions of this Section 6.2(b) shall be null and void. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

2. Other Terms and Provisions. Except as otherwise specifically provided herein, all terms, provisions and conditions of the Prior Agreement remain in full force and effect.

3. Delivery of Certain Documents. The Investors hereby covenant and agree to promptly deliver after the date hereof a true and complete copy of the assignment document from Greenwood Investors LP to Greenwood Capital LP.

4. Governing Law. This Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware.

5. Counterparts; Signatures by Electronic Transmission. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party. This Amendment may be delivered by facsimile transmission, email or other similar electronic means.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Voting Agreement as of the date first written above.

PHOENIX FOOTWEAR GROUP, INC.

By: /s/ Steven DePerrior
Steven M. DePerrior, Chair Special Committee

[Stockholder Signatures Appear on Separate Page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Voting Agreement as of the date first written above.

RIEDMAN STOCKHOLDERS

RIEDMAN CORPORATION

By: /s/ James R. Riedman
James R. Riedman, President

/s/ James R. Riedman
James R. Riedman, Individually

GREENWOOD STOCKHOLDERS

GREENWOOD CAPITAL LIMITED PARTNERSHIP
By: Greenwood Investments, Inc.,
General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

GREENWOOD INVESTMENTS, INC.

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President

/s/ Steven Tannenbaum
Steven Tannenbaum, Individually

MGPLA, LIMITED PARTNERSHIP
By: Greenwood Investments, Inc.,
General Partner

By: /s/ Steven Tannenbaum
Steven Tannenbaum, President