UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) June 26, 2008

Nexxus Lighting, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-23590	**59-3046866**
(Commission File Number)	**(IRS Employer Identification No.)**
124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina	**28262**
(Address of Principal Executive Offices)	**(Zip Code)**

(704) 405-0416
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On June 26, 2008 (the "Closing Date"), Nexxus Lighting, Inc. (the "Company") entered into a Note and Warrant Purchase Agreement (the "Purchase Agreement"), with a limited number of accredited investors as set forth on Schedule I thereto (the "Purchasers"), containing customary representations, warranties and covenants. Pursuant to the Purchase Agreement, the Company issued and sold to the Purchasers an aggregate of $3,500,000 in principal amount of secured promissory notes (the "Notes") and warrants (the "Warrants") to purchase 218,750 shares of the Company's common stock at an exercise price of $7.33 per share, expiring three years from the date of issuance (the "Private Placement"). The Private Placement resulted in gross proceeds to the Company of approximately $3,500,000. Each Purchaser received Warrants equal to .0625 shares for each $1.00 in principal amount of the Notes payable to the Purchaser.

The Notes mature on December 26, 2009, or earlier upon consummation of a Qualified Offering (as defined in the Notes), and bear interest at the rate of 7% per annum payable 180 days after the Closing Date and every 180 days thereafter until the Notes are paid in full. The Notes contain certain financial covenants of the Company.

The exercise price of the Warrants is subject to adjustment in the event that prior to June 26, 2009, the Company issues Additional Stock (as defined in the Warrants) for a consideration per share less than the exercise price of the Warrants in effect immediately prior to such issuance, and the Warrants are subject to adjustment in the event of stock splits, stock dividends, and similar transactions. The Warrants contain certain cash-less exercise provisions.

Also, if the Notes are not paid in full on or before six months after the issuance of the Notes, the Company will issue to the holders of the Notes, on a pro rata basis, based on the original principal amount of the Notes issued to such holder or such holder's transferor, additional warrants to purchase an aggregate of up to 218,750 shares of the Company's common stock (the "First Additional Warrants"). However, if the Notes are paid in full after the six month anniversary of the issuance of the Notes, but on or prior to the twelve month anniversary of such issuance, the Company will issue such holders a percentage of the First Additional Warrants, based on the number of days elapsed before the Notes are paid in full. In addition, if the Notes are not paid in full on or before the twelve month anniversary of the issuance of the Notes, then in addition to the First Additional Warrants, the Company shall issue to the holders of the Notes, on a pro rata basis, based on the original principal amount of the Notes issued to such holder or such holder's transferor, warrants to purchase an aggregate of up to 218,750 shares of the Company's common stock (the "Second Additional Warrants," and together with the First Additional Warrants, the "Additional Warrants"). However, if the Notes are paid in full after the twelve month anniversary of the issuance of the Notes, but on or prior to the eighteen month anniversary of such issuance, the Company will issue such holders a percentage of the 218,750 Second Additional Warrants, based on the number of days elapsed before the Notes are paid in full. The Additional Warrants shall be in the same form as the Warrants, except that (i) the exercise period shall be for three years commencing on the date of issuance thereof and (ii) the exercise price shall be the lower of (a) the exercise price of the Warrants or (b) the lowest consideration per share at which the Company issues Additional Stock (as defined in the Warrants) between the Closing Date and the date of issuance of the Additional Warrants.

J. Shawn Chalmers is the natural person with voting and investment power over the Notes and Warrants issued to the J. Shawn Chalmers Trust, J. Shawn Chalmers Trustee and Orion Investment Partners I, LLC. As of June 26, 2008, Mr. Chalmers beneficially owned 9.01% of our common stock without giving effect to certain limit on exercise provisions contained in warrants.

Todd A. Tumbleson is the natural person with voting and investment power over the Notes and Warrants issued to Harrington Wealth Management FBO Todd A. Tumbleson IRA, Tebo Capital, LLC, Harrington Wealth Management FBO Tebo Capital, LLC SEP IRA. As of June 26, 2008, Mr. Tumbleson beneficially owned 9.19% of our common stock without giving effect to certain limit on exercise provisions contained in warrants.

Pursuant to a security agreement, a stock pledge and security agreement and a limited liability company equity interest pledge and security agreement (collectively, the "Security Agreements") entered into in connection with the Purchase Agreement, the Notes are secured by a security interest in substantially all of the Company's assets.

The Company paid the placement agent for the private placement a fee equal to 3% of the gross proceeds received by the Company from the sale of the Notes.

Neither the Notes, the Warrants, the Additional Warrants, if any, nor the shares of common stock underlying the Warrants, or the Additional Warrants, if any, have been registered for sale under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or an applicable exemption from the registration requirements. The issuance and sale of the Notes and Warrants was made in reliance upon the exemption provided in Section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act. No form of general solicitation or general advertising was conducted in connection with the issuance. Each of the Notes and Warrants contain restrictive legends preventing the sale, transfer or other disposition of such Notes and Warrants, unless registered under the Securities Act, or pursuant to an exemption therefrom. The disclosure about the Private Placement contained in this current report does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company, and is made only as required under applicable rules for filing current reports with the Securities and Exchange Commission (the "SEC"), and as permitted under Rule 135c under the Securities Act.

Copies of the Purchase Agreement, Security Agreements and the forms of Note and Warrant relating to the Private Placement are attached hereto, and are incorporated herein by reference. The summary contained in this current report is qualified in its entirety by reference to the more detailed terms of such agreements filed herewith as exhibits, and investors are encouraged to review the full text of such agreements.

The net proceeds of the Private Placement will be used by the Company for working capital and other general corporate purposes and for repayment by the Company of all of its obligations to RBC Bank (USA) under the Company's line of credit. On June 27, 2008, the Company paid RBC Bank (USA) approximately $1,498,000, in satisfaction of all of its obligations to RBC Bank (USA) under its line of credit and the related agreement was terminated.

No representation, warranty, covenant, or agreement contained in the Purchase Agreement or the other Transaction Documents (as defined in the Purchase Agreement) is, or should be construed as, a representation or warranty by the Company to any person other than the accredited investors who are Purchasers in the Private Placement, or a covenant or agreement of the Company or such accredited investors with any other person. Investors are cautioned about relying on representations, warranties, covenants, and agreements contained in the Purchase Agreement and/or the Transaction Documents. The representations and warranties in the Purchase Agreement and/or the Transaction Documents may be qualified by information that has not been filed with the SEC, may be qualified by materiality standards that differ from what may be viewed as material for securities law purposes, and represent an allocation of risk as between the parties as part of the transaction reflected in the Purchase Agreement and/or the Transaction Documents. Moreover, the representations and warranties may become incorrect after the date of the Purchase Agreement and/or the Transaction Documents, and changes, if any, may not be reflected in the Company's public disclosures. The covenants and agreements contained in the Purchase Agreement and/or the Transaction Documents are solely for the benefit of the Company and the

Purchasers, and compliance with each covenant and agreement may be waived, and the time for performance under each covenant and agreement may be extended, by the party entitled to the benefit of the covenant or agreement.

Also, on June 26, 2008, the Company entered into a letter agreement amending the stock purchase agreement, dated April 30, 2008 (the "Closing"), among the Company, Lumificient Corporation, a Minnesota corporation ("Lumificient") and the shareholders (the "Shareholders") of Lumificient listed on Schedule I thereto (the "Stock Purchase Agreement").

The Stock Purchase Agreement has been amended to provide that the Company's common stock issued to the Shareholders pursuant to the Stock Purchase Agreement will not result in such shareholders acquiring, or obtaining the right to acquire, in excess of 19.999% of the outstanding shares of common stock or voting power of the Company outstanding before the Closing. The Company will not issue common stock to the Shareholders in excess of 19.999% of the outstanding shares of common stock or voting power of the Company outstanding before the Closing without first obtaining stockholder approval for the issuance. If on any Payment Date (as defined in the Stock Purchase Agreement), the issuance of such shares by the Company to the Shareholders would result in the Shareholders acquiring, or obtaining the right to acquire, in excess of 19.999% of the outstanding shares of common stock or voting power of the Company outstanding before the Closing, in lieu of issuing such shares, the Company may pay the Shareholders an amount equal to the value of such shares on the Payment Date.

A copy of the letter agreement is attached hereto, and is incorporated herein by reference. The summary contained in this current report is qualified in its entirety by reference to the more detailed terms of such agreement filed herewith as an exhibit, and investors are encouraged to review the full text of such agreement.

Item 1.02 Termination of a Material Definitive Agreement.

The disclosure under Item 1.01 is incorporated by reference in this Item 3.02. On June 27, 2008, the Company paid RBC Bank (USA) approximately $1,498,000, in satisfaction of all of its obligations to RBC Bank (USA) under its line of credit and the related agreement was terminated.

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

The disclosure under Item 1.01 is incorporated by reference in this Item 3.02

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure under Item 1.01 is incorporated by reference in this Item 3.02. The Company issued and sold its securities in the Private Placement pursuant to an exemption from registration under Section 4(2) of the Securities Act and/or Regulation D promulgated under the Securities Act. Each of the Purchasers has represented to the Company that such Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Note and Warrant Purchase Agreement by and between the Company and each Purchaser set forth on Schedule I thereto, dated as of June 26, 2008.
10.2	Form of Secured Promissory Note.
10.3	Form of Common Stock Purchase Warrant.
10.4	Security Agreement between the Company and Jay Weil, as collateral agent for the Purchasers, dated as of June 26, 2008.
10.5	Stock Pledge and Security Agreement between the Company and Jay Weil, as collateral agent for the Purchasers, dated as of June 26, 2008.
10.6	Limited Liability Company Equity Interest Pledge and Security Agreement between the Company and Jay Weil, as collateral agent for the Purchasers, dated as of June 26, 2008.
10.7	Collateral Agent Agreement between the Company, Jay Weil, as collateral agent for the Purchasers, and the Purchasers, dated as of June 26, 2008.
10.8	Form of Lock-Up Agreement.
10.9	Letter Agreement dated June 26, 2008, amending the Stock Purchase Agreement dated April 30, 2008 by and among Lumificient Corporation, the shareholders of Lumificient Corporation listed on Schedule I thereto and Nexxus Lighting, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

July 2, 2008

NEXXUS LIGHTING, INC.

/s/ John C. Oakley

Name: John C. Oakley
Title: Chief Financial Officer

EXHIBIT INDEX

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Exhibit 10.1

NOTE AND WARRANT PURCHASE AGREEMENT

THIS NOTE AND WARRANT PURCHASE AGREEMENT (the "Agreement") is entered into as of June 26, 2008**,** by and among NEXXUS LIGHTING, INC., a Delaware corporation and its subsidiaries (collectively, the "Company"), with its principal executive offices located at 124 Floyd Smith Drive, Suite 300, Charlotte, North Carolina 28262, and the purchasers (collectively, the "Purchasers" and each a "Purchaser") set forth on Schedule 1 hereof, with regard to the following:

RECITALS

A. The Company and Purchasers are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the provisions of Regulation D ("Regulation D"), as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act").

B. Each Purchaser desires to purchase, upon the terms and conditions stated in this Agreement, (a) a secured promissory note of the Company in the form attached hereto as Exhibit A and in the principal amount set forth on the Purchaser's signature page to this Agreement (the "Purchaser's Signature Page"), each such note being referred to herein as a "Note" and all of the notes sold pursuant to this Agreement are collectively referred to herein as the "Notes", and (b) a Common Stock Purchase Warrant in the form attached hereto as Exhibit B (individually and collectively, the "Warrants") to purchase the number of shares of the Company's Common Stock, par value $.001 per share ("Common Stock") set forth on the Purchaser's signature page to this Agreement. The shares of Common Stock issuable upon exercise of or otherwise pursuant to the Warrants are referred to herein as the "Warrant Shares." The Notes, the Warrants and the Warrant Shares are collectively referred to herein as the "Securities".

C. This Agreement, the Notes, the Warrants and any other documents or agreements executed in connection with the transactions contemplated hereunder are hereinafter referred to as the "Transaction Documents".

AGREEMENTS

NOW, THEREFORE, in consideration of their respective promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Purchasers hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF NOTES AND WARRANTS

1.1 Purchase of Notes and Warrants. Subject to the terms and conditions of this Agreement, the issuance, sale and purchase of the Notes and

Warrants shall be consummated in a "Closing." Each "Unit" shall consist of (a) a Note and (b) Warrants issued with respect to such Note as hereinafter provided. The purchase price (the "Purchase Price") per Unit shall be equal to the principal amount of the Note being purchased as part of the Unit. The number of shares of Common Stock for which the Warrants issued as part of the Unit shall be exercisable shall equal .0625 shares for each $1.00 in principal amount of the Note.

On the date of the Closing, subject to the satisfaction or waiver of the conditions set forth in ARTICLES VI and VII hereof, the Company shall issue and sell to each Purchaser, and each Purchaser severally agrees to purchase from the Company, a Note in the principal amount set forth on such Purchaser's Signature Page and Warrants to purchase the number of shares of Common Stock set forth on the Purchaser's Signature Page. Each Purchaser's obligation to purchase a Note and Warrants hereunder is distinct and separate from each other Purchaser's obligation to purchase, and no Purchaser shall be required to purchase hereunder more than the principal amount of a Note and Warrants to purchase the number of shares of Common Stock set forth on the Purchaser's Signature Page. The obligations of the Company with respect to each Purchaser shall be separate from the obligations of the Company to each other Purchaser and shall not be conditioned as to any Purchaser upon the performance of obligations of any other Purchaser.

1.2. Closing Fee. The Purchaser acknowledges that the Company has engaged Great American Investors, Inc. as the exclusive placement agent (the "Placement Agent") in connection with the offering of the Units (the "Offering") and, as consideration for its services, has agreed to pay to the Placement Agent at the Closing a cash commission equal to three percent (3%) of the gross proceeds received by the Company from the sale of Units in the Offering. At or before the Closing, the Company will also reimburse the Placement Agent for all expenses incurred by such Placement Agent in connection with the Offering, subject to any limitations set forth in any agreements between the Company and the Placement Agent. The Company hereby agrees to indemnify and hold harmless the Placement Agent and its officers, directors, employees, agents and shareholders, individually and collectively ("Placement Agent Indemnified Person(s)") from and against any and all claims, liabilities, losses, damages, costs and reasonable expenses incurred by any Placement Agent Indemnified Person (including reasonable fees and disbursements of counsel) which are related to or arising out of: (i) any untrue statement of any material fact made by the Company; or (ii) any omission of material fact necessary to make any statement not misleading, made by the Company. The Company will not however, be responsible for any claims, liabilities, losses, damages, or expenses, which resulted directly or indirectly from the Placement Agent's gross negligence or willful misconduct.

1.3 Closing Date. Subject to the satisfaction (or waiver) of the conditions set forth in ARTICLES VI and VII below, the date and time of the issuance, sale and purchase of the Notes and Warrants pursuant to this Agreement shall be on or before 5:00 p.m. Charlotte, North Carolina time, on June 26, 2008.

ARTICLE II

PURCHASER'S REPRESENTATIONS AND WARRANTIES

Each Purchaser represents and warrants to the Company, as of the date hereof and as of the Closing, severally and not jointly, with respect to itself and its purchase hereunder and not with respect to any other Purchaser or the purchase hereunder by any other Purchaser, that the following statements are true and correct:

2.1 Investment Purpose. Purchaser is purchasing the Notes and the Warrants for Purchaser's own account for investment only and not with a view toward or in connection with the public sale or distribution thereof. Purchaser will not, directly or indirectly, offer, sell, pledge or otherwise transfer its Note, Warrants or Warrant Shares or any interest therein, except pursuant to transactions that are exempt from the registration requirements of the Securities Act and/or sales registered under the Securities Act. Purchaser understands that Purchaser must bear the economic risk of this investment indefinitely, unless the Securities are registered pursuant to the Securities Act and any applicable state securities laws or an exemption from such registration is available, and that the Company has no present intention of registering any such Securities.

2.2 Accredited Investor Status. Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

2.3 Reliance on Exemptions. Purchaser understands that the Securities are being offered and sold to Purchaser in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of Purchaser to acquire the Securities.

2.4 Information. The Company has made available to the Purchaser the documents publicly filed by the Company with the SEC (such documents collectively, the "SEC Documents"). Purchaser has been afforded the opportunity to ask questions of the Company, was permitted to meet with the Company's officers and has received what the Purchaser believes to be complete and satisfactory answers to any such inquiries. Except for the SEC Documents and the answers received by Purchaser as a result of inquiries made by Purchaser to Company officers, and except as otherwise provided in this Agreement, the Purchaser is not relying upon any information, representations or warranties of any other party. Neither such inquiries nor any other due diligence investigation conducted by Purchaser or any of its representations shall modify, amend or affect Purchaser's right to rely on the Company's representations and warranties contained in ARTICLE III. Purchaser understands that Purchaser's investment in the Securities involves a high degree of risk, including, without limitation, the risks and uncertainties disclosed in the SEC Documents.

2.5 Governmental Review. Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

2.6 Transfer or Resale. Purchaser understands that (i) the Securities have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered, sold, pledged or otherwise transferred unless subsequently registered thereunder or an exemption from such registration is available (which exemption the Company expressly agrees may be established as contemplated in clauses (b) and (c) of Section 5.1 hereof); (ii) any sale of such Securities made in reliance on Rule 144 under the Securities Act (or a successor rule) ("Rule 144") may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of such Securities without registration under the Securities Act under circumstances in which the seller may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder in order for such resale to be allowed and (iii) the Company is under no obligation to register such Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

2.7 Legends. Purchaser understands that, subject to ARTICLE V hereof, the certificates for the Note and Warrants, and, if the Warrants are exercised, the certificates for the Warrant Shares, until such time, if any, as the Warrant Shares have been registered under the Securities Act, may be sold by Purchaser pursuant to Rule 144 (subject to and in accordance with the procedures specified in ARTICLE V hereof), will bear a restrictive legend (the "Legend"), which will include language in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED OR SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS OR UNLESS OFFERED, SOLD OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS.

2.8 Authorization; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of Purchaser and is a valid and binding agreement of Purchaser enforceable in accordance with its terms, except to the extent that such validity or enforceability may be subject to or affected by any bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights or remedies of creditors generally, or by other equitable principles of general application.

2.9 Residency. Purchaser is a resident of the jurisdiction set forth under Purchaser's name on the signature page hereto executed by Purchaser.

2.10 Short Sales and Confidentiality Prior To the Date Hereof. Other than the transaction contemplated hereunder, such Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any disposition, including short sales, in the securities of the Company during the period commencing from the time that such Purchaser first received a term sheet (written or oral) from the Company or any other person setting forth the material terms of the transactions contemplated hereunder until the date hereof. Other than to other parties to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

2.11 General Solicitation. No Purchaser is purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities 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.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Purchaser as of the date hereof and as of the Closing that the following statements are true and correct, except as set forth on the disclosure schedules indicated below and attached hereto (the "Company Disclosure Schedules") and except as disclosed in the SEC Documents.

3.1 Organization and Qualification. Schedule 3.1 attached hereto sets forth the name, jurisdiction of incorporation and percentage of voting securities owned by Nexxus Lighting, Inc. of all of the subsidiaries of Nexxus Lighting, Inc. Nexxus Lighting, Inc. is a corporation duly organized and existing in good standing under the laws of the state of Delaware and has the requisite corporate power to own its properties and to carry on its business as now being conducted. Nexxus Lighting, Inc. is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction where the failure so to qualify or be in good standing could reasonably be expected to have a Material Adverse Effect. "Material Adverse Effect" means any effect which, individually or in the aggregate with all other effects, reasonably would be expected to be materially adverse to the business, operations, properties, financial condition, operating results or prospects of the Company taken as a whole, or on the transactions contemplated hereby.

3.2 Authorization; Enforcement. (a) The Company has the requisite corporate power and authority to enter into and perform under the Transaction Documents, and to issue, sell and perform its obligations with respect to the Securities in

accordance with the terms hereof and thereof and in accordance with the terms and conditions of the Securities; (b) the execution, delivery and performance of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes and the Warrants, and the reservation for issuance of the Warrant Shares) have been duly authorized by all necessary corporate action and no further consent or authorization of the Company, its board of directors, or its stockholders or any other Person is required with respect to any of the transactions contemplated hereby or thereby; (c) this Agreement, the Notes and the Warrants have been duly executed and delivered by the Company; and (d) this Agreement constitutes, and when issued pursuant to the terms of this Agreement, the Notes and the Warrants will constitute, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except (i) to the extent that such validity or enforceability may be subject to or affected by any bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights or remedies of creditors generally, or by other equitable principles of general application, and (ii) as rights to indemnity and contribution under this Agreement may be limited by federal or state securities laws. "Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated association, corporation, entity or government (whether federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency or department thereof).

3.3 Capitalization. The capitalization of the Company as of June 26, 2008 including the authorized capital stock, the number of shares issued and outstanding, the number of shares reserved for issuance pursuant to the Company's stock option plans, the number of shares reserved for issuance pursuant to securities (other than the Warrants) exercisable for, or convertible into or exchangeable for, shares of any class of the Company's Common Stock and the number of shares to be reserved for issuance upon exercise of the Warrants is set forth on Schedule 3.3 hereof. All of such outstanding shares of capital stock have been, or upon issuance will be, validly issued, fully paid and nonassessable. Except as disclosed in the SEC Documents, no shares of capital stock of the Company (including Common Stock and the Warrant Shares) are subject to preemptive rights or any other similar rights of the stockholders of the Company or any liens or encumbrances. Except as disclosed in Schedule 3.3 hereof, as of the date of this Agreement, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exercisable or exchangeable for, any shares of capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company and (ii) issuance of the Securities will not trigger anti-dilution rights for any other outstanding or authorized securities of the Company. The Company has made available to Purchaser true and correct copies of the Company's Certificate of Incorporation, as amended and in effect on the date hereof ("Certificate of Incorporation"), and the Company's By-laws, as amended and in effect on the date hereof (the "By-laws"). The Company has set forth on Schedule 3.3 hereof all instruments and agreements (other than the Certificate of Incorporation and By-laws) governing securities convertible into or exercisable or exchangeable for any class of its Common Stock (and the Company shall provide to Purchaser copies thereof upon the request of Purchaser).

3.4 No Conflicts. Except as set forth in Schedule 3.4, the execution, delivery and performance of the Transaction Documents by the Company, and the consummation by the Company of transactions contemplated hereby and thereby (including, without limitation, the issuance and reservation for issuance, as applicable, of the Securities) do not and will not (a) result in a violation of the Certificate of Incorporation or By-laws or (b) conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including U.S. federal and state securities laws) applicable to the Company or by which any property or asset of the Company is bound or affected (except for such possible conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). The Company is not in violation of its Certificate of Incorporation or other organizational documents. The Company is not in default (and no event has occurred which has not been waived which, with notice or lapse of time or both, could reasonably be expected to put the Company in default) under, nor has there occurred any event giving others (with notice or lapse of time or both) any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party, except for possible violations, defaults or rights as would not, individually or in the aggregate, have a Material Adverse Effect. The business of the Company is not being conducted, and shall not be conducted so long as a Purchaser owns any of the Securities, in violation of any law, ordinance or regulation of any governmental entity, except for possible violations the sanctions for which either individually or in the aggregate would not have a Material Adverse Effect. Except (A) for the filing of a Form D with the SEC, (B) such other documents as may be required in compliance with the state securities or Blue Sky laws of applicable jurisdictions and (C) such as may be required in compliance with the rules and regulations of the Financial Industry Regulatory Authority ("FINRA") and The NASDAQ Stock Market, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency or any regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under this Agreement or to perform its obligations in accordance with the terms hereof or thereof.

3.5 Consents. Except as set forth in Schedule 3.5, the execution, delivery and performance by the Company of the Transaction Documents and the offer, issuance and sale of the Securities require no consent of, action by or in respect of, or filing with, any Person, governmental body, agency, or official other than (i) filings that have been made pursuant to applicable state securities laws, (ii) post-sale filings pursuant to applicable state and federal securities laws, (iii) filings with FINRA and (iv) any consent, action or filing that either individually or in the aggregate would not have a Material Adverse Effect. Subject to the accuracy of the representations and warranties of each Purchaser set forth in ARTICLE II hereof, the Company has taken all action

necessary to exempt the issuance and sale of the (i) Notes, (ii) Warrants and (iii) Warrant Shares, from the provisions of any stockholder rights plan or other "poison pill" arrangement, any anti-takeover, business combination or control share law or statute binding on the Company or to which the Company or any of its assets and properties may be subject and any provision of the Company's Certificate of Incorporation or By-laws that is or could reasonably be expected to become applicable to the Purchasers as a result of the transactions contemplated hereby, including without limitation, the issuance of the Securities and the ownership, disposition or voting of the Securities by the Purchasers or the exercise of any right granted to the Purchasers pursuant to this Agreement or the other Transaction Documents.

3.6 SEC Documents; Financial Statements. Since January 1, 2007, the Company has timely filed the SEC Documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, 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. None of the statements made in any such SEC Documents which is required to be updated or amended under applicable law has not been so updated or amended. The financial statements of the Company included in the SEC Documents have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied, and the rules and regulations of the SEC during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they do not include footnotes or are condensed or summary statements) and present accurately and completely the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in a manner clearly evident to a sophisticated institutional investor in the financial statements or the notes thereto of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business consistent with past practice subsequent to the date of such financial statements and (ii) obligations under contracts and commitments incurred in the ordinary course of business consistent with past practice and not required under generally accepted accounting principles to be reflected in such financial statements. To the extent required by the rules of the SEC applicable thereto, the SEC Documents contain a complete and accurate list of all material undischarged written or oral contracts, agreements, leases or other instruments to which the Company is a party or by which the Company is bound or to which any of the properties or assets of the Company is subject (each a "Contract"). None of the Company or, to the Company's Knowledge, any of the other parties thereto, is in breach or violation of any Contract, which breach or violation would have a Material Adverse Effect. No event, occurrence or condition exists which, with the lapse of time, the giving of notice, or both, could become a default by the Company which could reasonably be expected to have a

Material Adverse Effect. For purposes of this Agreement, "Company's Knowledge" means the actual knowledge of the executive officers (as defined in Rule 405 under the Securities Act) of the Company, after due inquiry.

3.7 Absence of Certain Changes. Since December 31, 2007, there has been no material adverse change and no material adverse development in the business, properties, operations, financial condition, results of operations or prospects of the Company, not clearly evident to a sophisticated institutional investor from the SEC Documents, including, without limitation:

(i) any change in the assets, liabilities, financial condition or operating results of the Company from that reflected in the financial statements included in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007, except for changes in the ordinary course of business which have not and could not reasonably be expected to have a Material Adverse Effect, individually or in the aggregate;

(ii) any declaration or payment of any dividend, or any authorization or payment of any distribution, on any of the capital stock of the Company, or any redemption or repurchase of any securities of the Company;

(iii) any material damage, destruction or loss, whether or not covered by insurance to any assets or properties of the Company;

(iv) any waiver, not in the ordinary course of business, by the Company of a material right or of a material debt owed to it;

(v) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and which is not material to the assets, properties, financial condition, operating results or business of the Company (as such business is presently conducted and as it is proposed to be conducted);

(vi) any change or amendment to the Company's Certificate of Incorporation or By-laws, or material change to any material contract or arrangement by which the Company is bound or to which any of its assets or properties is subject;

(vii) any material labor difficulties or labor union organizing activities with respect to employees of the Company;

(viii) except for the acquisition of Lumificient Corporation, a Minnesota corporation, any material transaction entered into by the Company other than in the ordinary course of business;

(ix) the loss of the services of any key employee, or material change in the composition or duties of the senior management of the Company;

(x) the loss or threatened loss of any customer which has had or could reasonably be expected to have a Material Adverse Effect; or

(xi) any other event or condition of any character that has had or could reasonably be expected to have a Material Adverse Effect.

3.8 Absence of Litigation. Except as disclosed in Schedule 3.8 hereof or as disclosed in the Company's SEC Documents filed by it with the SEC, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, or self-regulatory organization or body pending or, to the Company's Knowledge, threatened against or affecting the Company or any of its directors or officers in their capacities as such which could reasonably be expected to have a Material Adverse Effect. There are no facts known to the Company which, if known by a potential claimant or governmental authority, could reasonably be expected to give rise to a claim or proceeding which, if asserted or conducted with results unfavorable to the Company could reasonably be expected to have a Material Adverse Effect.

3.9 Tax Matters. Except as set forth on Schedule 3.9 attached hereto, the Company has timely prepared and filed all tax returns required to have been filed by the Company with all appropriate governmental agencies and timely paid all taxes shown thereon or otherwise owed by it. The charges, accruals and reserves on the books of the Company in respect of taxes for all fiscal periods are adequate in all material respects, and there are no material unpaid assessments against the Company nor, to the Company's Knowledge, any basis for the assessment of any additional taxes, penalties or interest for any fiscal period or audits by any federal, state or local taxing authority except for any assessment which is not material to the Company. All taxes and other assessments and levies that the Company is required to withhold or to collect for payment have been duly withheld and collected and paid to the proper governmental entity or third party when due. There are no tax liens or claims pending or, to the Company's Knowledge, threatened against the Company or any of its assets or property. There are no outstanding tax sharing agreements or other such arrangements between the Company and any other corporation or entity.

3.10 Transactions with Affiliates. Except as disclosed in the SEC Documents, none of the officers or directors of the Company and, to the Company's Knowledge, none of the employees of the Company is presently a party to any transaction with the Company (other than as holders of stock options and/or warrants, and for services as employees, officers, consultants 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 Company's Knowledge, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

3.11 Internal Controls. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any difference. The Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with GAAP and the applicable requirements of the Exchange Act. The Company's officers certified to the Company's internal controls as of the filing of the Company's Form 10-QSB for the quarter ended March 31, 2008 and since that date, that there have been no significant changes in the Company's internal controls (as such term is defined in Section 307(b) of Regulation S-K) or, to the Company's Knowledge, any other facts that would significantly affect the Company's internal controls. The Company is required to certify its internal controls under Section 404 of the Sarbanes-Oxley Act of 2002 and has complied with such requirements in its Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007.

3.12 Disclosure. No information relating to or concerning the Company set forth in this Agreement contains an untrue statement of a material fact. No information relating to or concerning the Company set forth in any of the SEC Documents contains a statement of material fact that was untrue as of the date such SEC Document was filed with the SEC. The Company has not omitted to state a material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading. Except for the execution and performance of this Agreement, no material fact (within the meaning of the federal securities laws of the United States and of applicable state securities laws) exists with respect to the Company which has not been publicly disclosed.

3.13 Acknowledgment Regarding Purchaser's Purchase of the Securities. The Company acknowledges and agrees that each Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement or the transactions contemplated hereby, that this Agreement and the transaction contemplated hereby, and the relationship between each Purchaser and the Company, are "arms-length," and that any statement made by a Purchaser (except as set forth in ARTICLE II), or any of its representatives or agents, in connection with this Agreement and the transactions contemplated hereby is not advice or a recommendation, is merely incidental to Purchaser's purchase of the Securities and has not been relied upon as such in any way by the Company, its officers or directors. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the transactions contemplated hereby has been based solely on an independent evaluation by the Company and its representatives.

3.14 No General Solicitation. Neither the Company nor to the Company's knowledge any distributor participating on the Company's behalf in the transactions contemplated hereby (if any) nor any person acting for the Company, or to the Company's knowledge any such distributor, has conducted any "general solicitation," as described in Rule 502(c) under Regulation D, with respect to any of the Securities being offered hereby.

3.15 No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would prevent the parties hereto from consummating the transactions contemplated hereby pursuant to an exemption from registration under the Securities Act pursuant to the provisions of Regulation D. The transactions contemplated hereby are exempt from the registration requirements of the Securities Act, assuming the accuracy of the representations and warranties herein contained of each Purchaser.

3.16 No Brokers. Except with respect to the Placement Agent or as set forth in Schedule 3.16, the Company has taken no action which would give rise to any claim by any person for brokerage commissions, finder's fees or similar payments by Purchaser relating to this Agreement or the transactions contemplated hereby.

3.17 Intellectual Property.

(i) To the Company's Knowledge, all Intellectual Property of the Company is currently in compliance with all legal requirements (including timely filings, proofs and payments of fees) and is valid and enforceable, except where the failure to be in compliance or to be valid and enforceable has not and could not reasonably be expected to have a Material Adverse Effect on the Company. No Intellectual Property of the Company which is necessary for the conduct of Company's business as currently conducted or as currently proposed to be conducted has been or is now involved in any cancellation, dispute or litigation, and, to the Company's Knowledge, no such action is threatened. No patent of the Company has been or is now involved in any interference, reissue, re-examination or opposition proceeding. "Intellectual Property" means all of the following: (a) patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice); (b) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing; (c) copyrights and copyrightable works; (d) registrations, applications and renewals for any of the foregoing; and (e) proprietary computer software (including but not limited to data, data bases and documentation).

(ii) All of the licenses and sublicenses and consent, royalty or other agreements concerning Intellectual Property which are necessary for the conduct of the Company's business as currently conducted or as currently proposed to be conducted to which the Company is a party or by which any of its assets are bound (other than generally commercially available, non custom, off the shelf software application programs having a retail acquisition price of less than $5,000 per license) (collectively, "License Agreements") are valid and binding obligations of the Company and, to the Company's Knowledge, the other parties thereto, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws

affecting the enforcement of creditors' rights generally, and there exists no event or condition which will result in a material violation or breach of or constitute (with or without due notice or lapse of time or both) a default by the Company under any such License Agreement.

(iii) The Company owns or has the valid right to use all of the Intellectual Property that is necessary for the conduct of the Company's business as currently conducted or as currently proposed to be conducted and for the ownership, maintenance and operation of the Company's properties and assets, free and clear of all liens, encumbrances, adverse claims or obligations to license all such owned Intellectual Property, other than licenses entered into in the ordinary course of the Company's business. The Company has a valid and enforceable right to use all third party Intellectual Property and confidential information used or held for use in the business of the Company.

(iv) To the Company's Knowledge, the conduct of the Company's business as currently conducted does not infringe or otherwise impair or conflict with (collectively, "Infringe") any Intellectual Property rights of any third party or any confidentiality obligation owed to a third party, and, to the Company's Knowledge, the Intellectual Property and confidential information of the Company which are necessary for the conduct of Company's business as currently conducted or as currently proposed to be conducted are not being Infringed by any third party. There is no litigation or order pending or outstanding or, to the Company's Knowledge, threatened or imminent, that seeks to limit or challenge or that concerns the ownership, use, validity or enforceability of any Intellectual Property or confidential information of the Company and the Company's use of any Intellectual Property or confidential information owned by a third party, and, to the Company's Knowledge, there is no valid basis for the same.

(v) The consummation of the transactions contemplated hereby will not result in the alteration, loss, impairment of or restriction on the Company's ownership or right to use any of the Intellectual Property or confidential information which is necessary for the conduct of Company's business as currently conducted or as currently proposed to be conducted.

(vi) The Company has taken reasonable steps to protect the Company's rights in its Intellectual Property. Each employee, consultant and contractor who has had access to confidential information which is necessary for the conduct of Company's business as currently conducted or as currently proposed to be conducted has executed an agreement to maintain the confidentiality of such confidential information and has executed appropriate agreements that are substantially consistent with the Company's standard forms thereof. Except under confidentiality obligations, there has been no material disclosure of any of the Company's confidential information to any third party.

3.18 Environmental Matters. The Company is not in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human

exposure to hazardous or toxic substances (collectively, "Environmental Laws"). The Company does not own or operate any real property contaminated with any substance that is subject to any Environmental Laws, is not liable for any off-site disposal or contamination pursuant to any Environmental Laws, is not subject to any claim relating to any Environmental Laws; and there is no pending or, to the Company's Knowledge, threatened investigation that might lead to such a claim.

3.19 Certificates, Authorities and Permits. The Company possesses adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by it, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company, could reasonably be expected to have a Material Adverse Effect, individually or in the aggregate.

3.20 Key Employees. No Key Employee, to the Company's Knowledge, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each Key Employee does not subject the Company to any liability with respect to any of the foregoing matters. No Key Employee has, to the Company's Knowledge, any intention to terminate his employment with, or services to, the Company. "Key Employee" means each of Michael Bauer, John C. Oakley and Zdenko Grajear.

3.21 Labor Matters.

(i) The Company is not a party to or bound by any collective bargaining agreements or other agreements with labor organizations. The Company has not violated in any material respect any laws, regulations, orders or contract terms, affecting the collective bargaining rights of employees, labor organizations or any laws, regulations or orders affecting employment discrimination, equal opportunity employment, or employees' health, safety, welfare, wages and hours.

(ii) (A) There are no labor disputes existing, or to the Company's Knowledge, threatened, involving strikes, slow-downs, work stoppages, job actions, disputes, lockouts or any other disruptions of or by the Company's employees, (B) there are no unfair labor practices or petitions for election pending or, to the Company's Knowledge, threatened before the National Labor Relations Board or any other federal, state or local labor commission relating to the Company's employees, (C) no demand for recognition or certification heretofore made by any labor organization or group of employees is pending with respect to the Company and (D) to the Company's Knowledge, the Company enjoys good labor and employee relations with its employees and labor organizations.

(iii) To the Company's Knowledge, the Company is, and at all times has been, in full compliance in all material respects with all applicable laws respecting employment (including laws relating to classification of employees and independent contractors) and employment practices, terms and conditions of employment, wages and hours, and immigration and naturalization. There are no claims pending against the Company before the Equal Employment Opportunity Commission or any other administrative body or in any court asserting any violation of Title VII of the Civil Rights Act of 1964, the Age Discrimination Act of 1967, 42 U.S.C. §§ 1981 or 1983 or any other federal, state or local law, statute or ordinance barring discrimination in employment.

(iv) The Company is not a party to, or bound by, any employment or other contract or agreement that contains any severance, termination pay or change of control liability or obligation, including, without limitation, any "excess parachute payment," as defined in Section 2806(b) of the Internal Revenue Code.

ARTICLE IV

COVENANTS AND AGREEMENTS

4.1 Reasonable Efforts. The parties shall use their commercially reasonable efforts to timely satisfy each of the conditions described in ARTICLES VI and VII of this Agreement and to seek its Board of Directors' approval of this Agreement.

4.2 Securities Laws; Disclosure; Press Release. The Company agrees to file a Form D with respect to the Securities with the SEC as required under Regulation D. The Company shall, on or prior to the date of Closing, take such action as is necessary to sell the Securities to each Purchaser under applicable securities laws of the states of the United States. The Company agrees to file a Form 8-K disclosing this Agreement and the transactions contemplated hereby with the SEC within four (4) business days following the date of Closing. The Company and the Placement Agent shall consult with each other in connection with the Form 8-K disclosing this Agreement and the transactions contemplated hereby, and in issuing any other press releases with respect to the transactions contemplated hereby, and no Purchaser shall issue any such press release or otherwise make any such public statement without the prior written consent of the Company, which consent shall not unreasonably be withheld, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication.

4.3 Reporting Status. So long as any Purchaser beneficially owns any of the Securities but no longer than forty eight (48) months after the Closing Date, the Company shall use commercially reasonable efforts to timely file all reports required to be filed with the SEC pursuant to the Exchange Act, and the Company shall not voluntarily terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would permit such termination.

4.4 Reservation of Common Stock. The Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, not less than 656,250 of the shares of its authorized Common Stock for the issuance of

shares of Common Stock upon exercise of all of the Warrants and the Additional Warrants (as such term is hereinafter defined). The Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue the Warrant Shares pursuant to any exercise of the Warrants and share of Common Stock pursuant to the exercise of the Additional Warrants.

4.5 Use of Proceeds. The Company will use the proceeds of the sale for the following purposes: (a) Payment of Loan Fees and costs (attorney fees); (b) funding of start-up needs for Array Lighting products, including (but not limited to): operations, sales, working capital and marketing efforts for international launch; (c) Integration efforts for the ALS and Lumificient acquisitions, including (but not limited to), information systems integration and administrative processes (accounting, human resources and purchasing) integration, (d) repayment of all the obligations of the Company to RBC Bank (USA) and (e) general operating purposes.

4.6 Corporate Existence. So long as any Purchaser beneficially owns any Securities, the Company shall maintain its corporate existence, except in the event of a merger, consolidation or sale of all or substantially all of the Company's assets, as long as the surviving or successor entity in such transaction assumes the Company's obligations hereunder and under the agreements and instruments entered into in connection herewith.

4.7 Ownership Limitation. The purchase of the Securities issuable to each Purchaser at the Closing will not result in such Purchaser (individually or together with any other person or entity with whom such purchaser has identified, or will have identified, itself as part of a "group" in a public filing made with the SEC involving the Company's securities) acquiring, or obtaining the right to acquire, in excess of 19.999% of the outstanding shares of Common Stock or voting power of the Company on a post-transaction basis that assumes that the Closing shall have occurred. Such Purchaser does not presently intend to, alone or together with others, make a public filing with the SEC to disclose that it has (or that it together with such other persons or entities have) acquired, or obtained the right to acquire, as a result of the Closing (when added to any other securities of the Company that it or they then own or have the right to acquire), in excess of 19.999% of the outstanding shares of Common Stock or the voting power of the Company on a post-transaction basis that assumes that the Closing shall have occurred.

Each Purchaser will not, alone or together with others, acquire, or obtain the right to acquire, in excess of 19.999% of the outstanding shares of Common Stock or the voting power of the Company.

4.8 Notice of Event of Default. Upon the occurrence of each Event of Default (as defined in the Notes), the Company shall (i) notify the Purchasers of the nature of such Event of Default as soon as practicable (but in no event later than one Business Day after the Company becomes aware of such Event of Default), and (ii) not later than two Business Days after delivering such notice to the Purchasers, issue a press release disclosing such Event of Default and take such other actions as may be necessary to

ensure that none of the Purchasers are in the possession of material, nonpublic information as a result of receiving such notice from the Company. For purposes of this Agreement "Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the City of New York are required or authorized by law to be closed.

4.9 Security Interests. Until each Note has been fully repaid and/or fully converted into Common Stock, the Issuer covenants with the holder thereof that the Issuer will not:

4.9.1 without the prior approval (not to be unreasonably withheld or delayed), of the holders of a majority in outstanding principal amount of the Notes (the "Required Holders)", create any security interest or other lien for funded indebtedness on any asset subject to the Security Agreement (as hereinafter defined) or permit any subsidiary to create any lien for funded indebtedness on any of such subsidiary's assets other than (a) security interests and liens that are subordinate to those created under the Security Agreement on terms reasonably acceptable to the Required Holders (such approval not to be unreasonably withheld or delayed), (b) purchase money security interests incurred in connection with the acquisition of assets in a transaction otherwise not prohibited hereunder or (c) in the case of liens on assets of a subsidiary, all such liens granted after the date hereof do not secure indebtedness in an aggregate amount of $50,000 or more for each such subsidiary.

4.9.2 redeem or re-purchase for cash any Common Stock or other equity security or security (other than convertible debt) exercisable to purchase any equity security of the Company, or pay or declare any cash dividend or other cash distribution in respect thereof.

4.9.3 without the prior written consent of the Required Holders, enter into any loan agreement with any lender resulting in total funded indebtedness of the Company in excess of $200,000, excluding the obligations of the Company under the Notes.

4.10 Additional Warrants.

4.10.1 If all principal and interest on the Notes is not paid by the Company by the date which is six months after the issuance date of the Notes (the "Six Month Anniversary"), then within five Business Days after the earlier of (a) the first anniversary of the issuance date of the Notes (the "First Anniversary") and (b) the date on which all principal and interest on the Notes is duly paid by the Company, the Company shall issue to the holders of the Notes, on a pro rata basis, based on the original principal amount of the Notes issued to such holder or such holder's transferor, warrants to purchase an aggregate number of shares of Common Stock equal to (x) if all principal and interest on such Notes has not been paid by the First Anniversary, a number of shares equal to the product obtained by multiplying (A)125,000 times (B) a fraction, the numerator of which is the aggregate principal amount of all Notes issued pursuant to this Agreement and the denominator is $2,000,000 (such product is hereinafter referred to as the "Warrant Number"), or (y) if all principal and interest on such Notes is paid after the Six Month Anniversary but on or prior to the First Anniversary, the product obtained by multiplying (i) the Warrant Number times

a fraction, the numerator of which is the number of days after the Six Month Anniversary which have elapsed until all principal and interest on the Notes have been duly paid by the Company and the denominator is 182.

4.10.2 If all principal and interest on the Notes is not paid by the Company by the First Anniversary, then in addition to the warrants to be issued pursuant to Section 4.10.1, within five Business Days after the earlier of (a) the date which is 18 months after the issuance date of the Notes (the "18 Month Anniversary") and (b) the date on which all principal and interest on the Notes is duly paid by the Company, the Company shall issue to the holders of the Notes, on a pro rata basis, based on the original principal amount of the Notes issued to such holder or such holder's transferor, warrants to purchase an aggregate number of shares of Common Stock equal to (x) if all principal and interest on such Notes has not been paid by the 18 Month Anniversary, the Warrant Number or (y) if all principal and interest on such Notes is paid after the First Anniversary, but on or prior to the 18 Month Anniversary, the product obtained by multiplying (i) the Warrant Number times a fraction, the numerator of which is the number of days after the First Anniversary which have elapsed until all principal and interest on the Notes have been duly paid by the Company and the denominator is 182. The warrants issuable pursuant to Section 4.10.1 and this Section 4.10.2 are hereinafter collectively referred to as the "Additional Warrants." All Additional Warrants shall be in the same form as the Warrants, except that (A) the exercise period shall be for three years commencing on the date of issuance thereof and (B) the exercise price shall be the lower of (1) the exercise price of the Warrants issued at the Closing or (2) the lowest consideration per share at which the Company issues Additional Stock between the Closing Date and the date of issuance of the Additional Warrants. For purposes hereof, the term Additional Stock shall have the meaning ascribed to such term in Section 4(d) of the Warrants.

ARTICLE V

LEGEND REMOVAL, TRANSFER, CERTAIN SALES, ADDITIONAL SHARES

5.1 Removal of Legend. The Legend shall be removed and the Company shall issue a certificate without such Legend to the holder of any Security upon which it is stamped, and a certificate for a security shall be originally issued without the Legend, if, (a) the sale of such Security is registered under the Securities Act, (b) such holder provides the Company with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions and reasonably satisfactory to the Company and its counsel (the reasonable cost of which shall be borne by the Company if, after six months, neither an effective registration statement under the Securities Act or Rule 144 is available in connection with such sale) to the effect that a public sale or transfer of such Security may be made without registration under the Securities Act pursuant to an exemption from such registration requirements or (c) such Security can be sold pursuant to Rule 144 and the holder provides the Company with reasonable assurances that the Security can be so sold without restriction. The Company

may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section. Each Purchaser agrees to sell all Securities, including those represented by a certificate(s) from which the Legend has been removed, or which were originally issued without the Legend, in compliance with an exemption from the registration requirements of the Securities Act. In the event the Legend is removed from any Security or any Security is issued without the Legend and the Security is to be disposed of other than pursuant to a registration statement or pursuant to Rule 144, then prior to, and as a condition to, such disposition such Security shall be relegended as provided herein in connection with any disposition if the subsequent transfer thereof would be restricted under the Securities Act. Also, in the event the Legend is removed from any Security or any Security is issued without the Legend and thereafter the effectiveness of a registration statement covering the resale of such Security is suspended or the Company determines that a supplement or amendment thereto is required by applicable securities laws, then upon reasonable advance notice to Purchaser holding such Security, the Company may require that the Legend be placed on any such Security that cannot then be sold pursuant to an effective registration statement or Rule 144 or with respect to which the opinion referred to in clause (b) next above has not been rendered, which Legend shall be removed when such Security may be sold pursuant to an effective registration statement or Rule 144 or such holder provides the opinion with respect thereto described in clause (b) next above.

5.2 Transfer Agent Instructions. The Company agrees that at such time as such legend is no longer required under Section 5.1, it will, no later than ten (10) days following the delivery by a Purchaser to the Company or the Company's transfer agent of a certificate representing Warrant Shares issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of each Purchaser or its nominee for the Warrant Shares. The Company covenants that no instruction other than such instructions referred to in this ARTICLE V, and stop transfer instructions to give effect to Section 2.6 hereof, will be given by the Company to its transfer agent and that the Securities shall otherwise be freely transferable on the books and records of the Company. Nothing in this Section shall affect in any way each Purchaser's obligations and agreement set forth in Section 5.1 hereof to resell the Securities in compliance with an exemption from the registration requirements of applicable securities laws. If (a) a Purchaser provides the Company with an opinion of counsel, which opinion of counsel shall be in form, substance and scope customary for opinions of counsel in comparable transactions and reasonably satisfactory to the Company and its counsel (the reasonable cost of which shall be borne by the Company if, after six months, neither an effective registration statement under the Securities Act or Rule 144 is available in connection with such sale), to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from registration or (b) a Purchaser transfers Securities to an affiliate which is an accredited investor (within the meaning of Regulation D under the Securities Act) and which delivers to the Company in written form the same representations, warranties and covenants made by the Purchasers hereunder or pursuant to Rule 144, the Company shall permit the transfer, and, in the case of the Warrant Shares, promptly instruct its transfer agent to issue one or more certificates in such name

and in such denomination as specified by such Purchaser. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to a Purchaser by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this ARTICLE V will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this ARTICLE V, that a Purchaser shall be entitled, in addition to all other available remedies to an injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

ARTICLE VI

CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL

6.1 Conditions to the Company's Obligation to Sell. The obligation of the Company hereunder to issue and sell the Notes and Warrants to a Purchaser at the Closing is subject to the satisfaction, as of the date of the Closing and with respect to such Purchaser, of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(i) Such Purchaser shall have fully completed, executed and delivered the Purchaser's Signature Page;

(ii) Such Purchaser shall have wired its aggregate Purchase Price set forth on Schedule 1 hereto to the Company;

(iii) The representations and warranties of such Purchaser shall be true and correct as of the date when made and as of the Closing with the same force and effect as though such representations and warranties had been made on and as of the date of Closing (except for representations and warranties that speak as of a specific date), and such Purchaser shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the applicable Purchaser at or prior to the Closing;

(iv) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which restricts or prohibits the consummation of any of the transactions contemplated by this Agreement;

(v) The Company shall have obtained all waivers, authorizations, approvals and consents needed to consummate the transaction contemplated by this Agreement which the Company agrees to diligently procure;

(vi) The NASDAQ Stock Market shall have approved for listing all shares of the Company's Common Stock issuable upon exercise of the Warrants and the Additional Warrants;

(vii) Any right of first offer has been complied with or waived;

(viii) The Company shall have paid all of the expenses described in the Company's engagement letter, dated June 4, 2008 with the Placement Agent.

(ix) The Company, the Purchasers and a collateral agent acceptable to the Company and the Purchasers (the "Collateral Agent") shall have entered into a Collateral Agent Agreement substantially in the form attached hereto as Exhibit C ;

(x) The Company and the Collateral Agent shall have entered into a security agreement substantially in the form attached hereto as Exhibit D (the "Security Agreement");

(xi) The Company shall have executed and delivered such additional financing statements, collateral assignments and other instruments and documents as may be necessary or prudent, in the reasonable discretion of the Purchasers and the Collateral Agent, to perfect the security interests of the Purchasers under the Security Agreement; and

(xii) The Company's counsel shall have delivered to the Purchasers a legal opinion in substantially the form attached hereto as Exhibit E.

(xiii) There shall have occurred no material adverse change in the Company's consolidated business or financial condition since March 31, 2008; and

(xiv) There shall be no injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction that is in effect that restrains or prohibits the consummation of the transactions contemplated hereby and by the other Transaction Documents.

ATRICLE VII

CONDITIONS TO EACH PURCHASER'S OBLIGATION TO PURCHASE

7.1 The obligation of each Purchaser hereunder to purchase the Notes and Warrants to be purchased by it on the date of the Closing is subject to the satisfaction of each of the following conditions, provided that these conditions are for each Purchaser's sole benefit and may be waived by such Purchaser at any time in such Purchaser's sole discretion:

(i) The Company shall have executed and delivered the Purchaser's Signature Page;

(ii) The Company shall have delivered to the Purchaser duly issued certificates for the Note and Warrants being so purchased by the Purchaser against receipt of the Purchase Price therefore;

(iii) The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing with the same force and effect as though such representations and warranties had been made on and as of the date of Closing, and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing;

(iv) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement;

(v) The Company shall have delivered an officer's certificate, in the form of Exhibit F attached hereto, as to the accuracy of the Company's representations and warranties pursuant to ARTICLE III;

(vi) Any right of first offer has been complied with or waived;

(vii) There shall be no injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction that is in effect that restrains or prohibits the consummation of the transactions contemplated hereby and by the other Transaction Documents;

(viii) The Company shall have received from each Purchaser a fully completed Investor Questionnaire, and must have found the contents of such questionnaires to be satisfactory in the Company's sole discretion;

(ix) Prior to or simultaneously with the Closing all obligations of the Company to RBC Bank (USA) (the "Bank") shall have been satisfied in full and within 10 days after the Closing the Bank shall have terminated all of its security interests in the assets of the Company pursuant to documents in form and substance satisfactory to the Purchasers;

(x) each director and officer of the Company set forth on Schedule A thereto shall have delivered to the Purchasers a lock-up agreement in substantially the form attached hereto as Exhibit G**;** and

(xi) The Company shall have executed and delivered to the Collateral Agent one or more pledge agreements in form and substance satisfactory to the Collateral Agent, pursuant to which the Company shall pledge to the Collateral Agent, on behalf of the Purchasers, as further security for the obligations of the Company under this Agreement and the Notes, all of the outstanding (A) capital stock of Lumificient Corporation, a Minnesota corporation, and (B) membership interests in Advanced Lighting Systems, LLC, a Delaware limited liability company.

ARTICLE VIII

GOVERNING LAW; MISCELLANEOUS

8.1 Governing Law: Jurisdiction. This Agreement shall be governed by and construed in accordance with the Delaware General Corporation Law (in respect of matters of corporation law) and the laws of the State of Delaware (in respect of all other matters) applicable to contracts made and to be performed in the State of Delaware. The parties hereto irrevocably consent to the jurisdiction of the United States federal courts and state courts located in the State of Delaware in any suit or proceeding based on or arising under this Agreement or the transactions contemplated hereby and irrevocably agree that all claims in respect of such suit or proceeding may be determined in such courts. The Company and each Purchaser irrevocably waives the defense of an inconvenient forum to the maintenance of such suit or proceeding in such forum. The Company and each Purchaser further agrees that service of process upon the Company or such Purchaser, as applicable, mailed by the first class mail in accordance with Section 8.7 shall be deemed in every respect effective service of process upon the Company or such Purchaser in any suit or proceeding arising hereunder. Nothing herein shall affect the right of a party hereto to serve process in any other manner permitted by law. The parties hereto agree that a final non-appealable judgment in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on such judgment or in any other lawful manner. The parties hereto irrevocably waive any right to a trial by jury under applicable law.

8.2 Costs and Expenses. Pursuant to an engagement letter dated June 4, 2008 between the Company and the Placement Agent, at the Closing, the Company has agreed to reimburse the Placement Agent for (or pay directly) the fees and expenses of the Purchasers' advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such Purchasers incident to the negotiation, preparation, execution, delivery and performance of this Agreement, subject to the limitations set forth in the engagement letter. The Company shall pay all transfer agent fees, stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

8.3 Counterparts. This Agreement may be executed in two or more counterparts, including, without limitation, by facsimile transmission, all of which counterparts shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other parties. In the event any signature page is delivered by facsimile transmission, the party using such means of delivery shall cause additional original executed signature pages to be delivered to the other parties as soon as practicable thereafter.

8.4 Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

8.5 Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement or the validity or enforceability of this Agreement in any other jurisdiction.

8.6 Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the maters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Purchaser makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived other than by an instrument in writing signed by the party to be charged with enforcement and no provision of this Agreement may be amended other than by an instrument in writing signed by the Company and each Purchaser.

8.7 Notice. Any notice herein required or permitted to be given shall be in writing and may be personally served or delivered by nationally-recognized overnight courier or by facsimile machine confirmed telecopy, and shall be deemed given and effective on the earliest of (a) the date of transmission if such notice or communication is delivered by fax prior to 5:30 p.m. (Eastern Time) on a Business Day, (b) the next Business Day after the date of transmission if such notice or communication is delivered via fax on a day that is not a Business Day or later than 5:30 p.m. (Eastern Time) on a Business Day, (c) the 2nd business day after the date of mailing if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be:

If to the Company:

Nexxus Lighting, Inc.
124 Floyd Smith Drive
Charlotte, North Carolina 28262
Attention: John C. Oakley, Chief Financial Officer
Facsimile: 704-405-0422

with a copy to:

Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, FL 32801
Attention: Suzan Abramson, Esq.
Facsimile: 407-843-4444

If to the Purchasers: See Purchaser's Signature Page

If to any other Purchaser, to such address set forth under such Purchaser's name on the Purchaser's Signature Page executed by such Purchaser. Each party shall provide notice to the other parties of any change in address in the meaning set forth in this Section 8.7.

8.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor any Purchaser shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, each Purchaser may assign its rights and obligations hereunder to any of its "affiliates," as that term is defined under the Securities Act, without the consent of the Company so long as such affiliate is an accredited investor (within the meaning of Regulation D under the Securities Act) and agrees in writing to be bound by this Agreement. This provision shall not limit each Purchaser's right to transfer the Securities pursuant to the terms of this Agreement or to assign such Purchaser's rights hereunder to any such transferee. In that regard, if a Purchaser sells all or part of its Securities to someone that acquires the Securities subject to restrictions on transferability (other than restrictions, if any, arising out of the transferee's status as an affiliate of the Company), Purchaser shall be permitted to assign its rights hereunder, in whole or in part, to such transferee.

8.9 Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

8.10 Survival; Indemnification. The representations and warranties of the Company and the agreements and covenants shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of Purchaser. The Company agrees to indemnify and hold harmless each Purchaser and each Purchaser's officers, directors, employees, partners, agents and affiliates from and against any and all losses, claims, damages, liabilities and expenses (including without limitation reasonable attorneys' fees and disbursements and other expenses incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof) (collectively, "Losses") arising as a result of or related to any breach or alleged breach by the Company of any of its representations or covenants set forth herein, including advancement of expenses as they are incurred. The representations and warranties of the Purchasers shall survive the Closing hereunder and each Purchaser shall indemnify and hold harmless the Company and each of its officers, directors, employees, partners, agents and affiliates from and against any and all Losses arising as a result of or related to any breach of such Purchaser's representations and warranties contained herein.

8.11 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.12 Remedies. No provision of this Agreement providing for any remedy to a Purchaser shall limit any remedy which would otherwise be available to such Purchaser at law or in equity. Nothing in this Agreement shall limit any rights a Purchaser may have under any applicable federal or state securities laws with respect to the investment contemplated hereby. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to a Purchaser. Accordingly, the Company acknowledges that the remedy at law for a material breach of its obligations under this Agreement will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement, that a Purchaser shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate compliance, without the necessity of showing economic loss and without any bond or other security being required.

8.13 Final Agreement. This Agreement, when executed by the parties hereto, shall constitute the final agreement between the parties and upon such execution Purchasers and the Company accept the terms hereof and have no cause of action against each other for prior negotiations preceding the execution of this Agreement.

IN WITNESS WHEREOF, the undersigned Purchasers and the Company have caused this Agreement to be duly executed as of the date first above written.

COMPANY:

NEXXUS LIGHTING, INC.

By: /s/ John C. Oakley
Name: John C. Oakley
Title: Chief Financial Officer

PURCHASERS:

See attached Signature Pages

PURCHASER SIGNATURE PAGE TO NOTE AND WARRANT PURCHASE AGREEMENT

1. Date: June _____, 2008

2. Consideration: $_____ in cash (must be at least $25,000).

The Purchaser signing below represents that:

(a) the Purchaser's representations and warranties contained in this Agreement are complete and accurate and may be relied upon by the Company, and

(b) the Purchaser will notify the Company immediately of any change in any of such representations and warranties, as well as any change to the information contained in this signature page and in Investor Questionnaire and Accredited Investor Certification accompanying this Agreement.

(c) The Purchaser hereby accepts and adopts the provisions of this Agreement and agrees to be bound thereby; and the Purchaser hereby assumes and agrees to satisfy and discharge, as applicable, any and all obligations applicable to the Purchaser under the Agreement.

(d) The Purchaser agrees to execute such further and other assurances and to do such other acts as may reasonably be required to implement the intentions of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Agreement and executed the Accredited Investor Certification attached hereto as Exhibit A on this _____ day of June, 2008.

Name of Purchaser: _____

Signature of Investor

_____

Taxpayer Identification or
Social Security Number

_____

Name and Residence Address: _____
(Post Office Address Not Acceptable) _____
_____

Mailing Address if Different from Residence Address _____
(Post Office Address is Acceptable) _____
_____

Type of Ownership (check one):

_____ Individual Ownership
_____ Community Property (each spouse must sign)
_____ Joint Tenants with Right of Survivorship (all sign)
_____ Tenants in Common (all sign)
_____ Trust
_____ Corporation
_____ S Corporation
_____ C Corporation
_____ Company
_____ Other (please specify type of entity)

Fax Number of Purchaser:_____

E-Mail Address of Purchaser: _____

LIST OF EXHIBITS

EXHIBIT A - FORM OF SECURED PROMISSORY NOTE

EXHIBIT B - FORM OF WARRANT

EXHIBIT C - FORM OF COLLATERAL AGENT AGREEMENT

EXHIBIT D - FORM OF SECURITY AGREEMENT

EXHIBIT E - FORM OF COMPANY COUNSEL OPINION

EXHIBIT F - FORM OF BRINGDOWN CERTIFICATE

EXHIBIT G - FORM OF LOCK-UP AGREEMENT

List of Schedules
to
Common Stock and Warrant Purchase Agreement

Schedule 1	-	List of Investors
Schedule 3.1	-	Organization and Qualification
Schedule 3.3	-	Capitalization
Schedule 3.4	-	No Conflicts
Schedule 3.5	-	Consents
Schedule 3.8	-	Absence of Litigation
Schedule 3.9	-	Tax Matters
Schedule 3.16	-	No Brokers

SCHEDULE 1
TO NOTE AND WARRANT PURCHASE AGREEMENT

LIST OF INVESTORS

Investor Name, Address, Telephone and Fax Number	Principal Amount Of Note	Maximum Warrant Shares	Purchase Price
Orion Investment Partners I, LLC	$ 750,000	140,625	$ 750,000
J. Shawn Chalmers Trust J. Shawn Chalmers Trustee	$1,000,000	187,500	$1,000,000
Cascoh, Inc	$1,000,000	187,500	$1,000,000
Harrington Wealth Management FBO Todd A. Tumbleson IRA	$ 370,000	69,375	$ 370,000
Tebo Capital, LLC	$ 350,000	65,625	$ 350,000
Harrington Wealth Management FBO Tebo Capital, LLC SEP IRA	$ 30,000	5625	$ 30,000
Totals:	**$3,500,000**	**656,250**	

Exhibit A
to
Note and Warrant Purchase Agreement

FORM OF SECURED PROMISSORY NOTE

THIS SECURED PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED OR SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS OR UNLESS OFFERED, SOLD OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS.

NEXXUS LIGHTING, INC.

SECURED PROMISSORY NOTE

$_____ June 26, 2008
Charlotte, North Carolina

FOR VALUE RECEIVED, and upon and subject to the terms and conditions set forth herein, Nexxus Lighting, Inc., a Delaware corporation ("**Issuer**"), hereby promises to pay to the order of _____, a _____(together with its permitted successors and assigns, "**Holder**"), the principal sum of _____UNITED STATED DOLLARS (U.S. $_____) on the Maturity Date, together with interest as provided herein. This Note was issued under and is subject to a Note and Warrant Purchase Agreement (the "**Purchase Agreement**") dated as of June 26, 2008 (the "Effective Date") among Issuer, payee and certain other parties. Capitalized terms used and not otherwise defined herein will have the respective meanings given to such terms in the Purchase Agreement.

1. **Maturity Date**. This Note will mature, and be due and payable in full, on the earlier of (i) December 26, 2009, or (ii) two Business Days after the consummation of a "Qualified Offering" (as hereinafter defined) (the "**Maturity Date**").

2. Interest. From and after the date hereof, all outstanding principal of this Note will bear simple interest at the rate of seven percent (7%) per annum. On the date that is 180 days after the Effective Date, and every 180 days thereafter, until such time as all outstanding principal and interest due hereunder has been paid in full, Issuer shall pay the then accrued interest. Upon the occurrence and during the continuance of any Event of Default (as hereinafter defined) under this Note, all outstanding principal of this Note shall bear interest at the rate of 10% per annum. All accrued but unpaid interest on this Note shall be payable on the Maturity Date or on such earlier date as this Note shall be prepaid.

3. Security. Repayment of this Note is secured, *pari passu* with Holders of all other Notes issued pursuant to the Purchase Agreement, by a security interest in substantially all the assets of Issuer pursuant to a security agreement, related collateral assignments and such other necessary documents entered into by Issuer in favor of Jay Weil, as collateral agent for the purchasers.

4. Prepayment. Issuer may prepay this Note prior to the Maturity Date, without premium or penalty upon 30 days prior written notice to Holder; provided that any prepayment of this Note shall only be made if simultaneously therewith the Issuer makes a pro rata prepayment (based on the then outstanding principal amount of all such Notes) to holders of all of the other Notes issued pursuant to the Purchase Agreement.

5. Qualified Offering. For purposes of this Note, the term "Qualified Offering" means the issuance and sale of equity securities of the Issuer or a subsidiary of the Issuer in one or a series of related transactions for a gross sales price of $10,000,000 or more.

6. Transfer. Purchaser may transfer this Note in compliance with applicable U.S. federal and state and/or foreign securities laws and in accordance with Section 5.1 of the Purchase Agreement.

7. Financial Covenants. Until this Note has been redeemed or otherwise satisfied in accordance with its terms, unless the holders of Notes representing at least a majority of the aggregate principal amount of the Notes then outstanding, shall otherwise consent in writing, from and after December 31, 2008 the Issuer shall comply with the following financial covenants measured at the end of each fiscal quarter of the Issuer:

(a) Tangible Net Worth. The Issuer shall maintain a tangible net worth of at least $3,500,000. For purposes of this Agreement, tangible net worth shall mean the Issuer's consolidated total assets, less all intangible assets and all liabilities. All amounts shall be determined in accordance with generally accepted accounting principles.

(b) Operating Loss. The Issuer shall not incur a Net Loss (determined in accordance with generally accepted accounting principles) for any trailing 12-month period in excess of $1,000,000.

(c) The total outstanding principal and accrued interest on all of the Notes shall not exceed the sum of (a) 75% of the Eligible Accounts Receivable of the Issuer and its subsidiaries and (b) 65% of the Eligible Inventory Value of the Issuer and its subsidiaries. For purposes of the foregoing, the term "Eligible Accounts Receivable" as to the Issuer and its subsidiaries on a consolidated basis means at any time of determination, all Accounts Receivable of such persons, each of which meets all of the following criteria on the date of any determination:

(1) the payment of such Account Receivable is not more than 90 days past the invoice date;

(2) such Account Receivable was created in the ordinary course of business of the Issuer or its subsidiary;

(3) such Account Receivable represents a legal, valid and binding payment obligation of the account debtor enforceable in accordance with its terms and arises from an enforceable contract, the performance of which, insofar as it relates to such Account Receivable, has been completed by the Issuer or such subsidiary;

(4) the Issuer or such subsidiary has good and indefeasible title to such Account Receivable, and the holders of the Notes hold a first priority security interest in such Account Receivable;

(5) such Account Receivable is not evidenced by a promissory note, chattel paper or other instrument that is not in the actual possession of the Issuer;

(6) such Account Receivable is not subject to any set-off, counterclaim, defense, allowance or adjustment known to the Issuer and there has been no commercially reasonable dispute, objection or complaint by the account debtor concerning its liability for such Account Receivable, and the inventory, the sale of which gave rise to such Account Receivable, has not been returned, rejected, lost or damaged;

(7) such Account Receivable, together with all other Accounts Receivable due from the same account debtor, does not comprise more than 25% of the aggregate Eligible Accounts Receivable;

(8) such Account Receivable is not due from an account debtor that (i) has at any time more than 50% of its aggregate Accounts Receivable owed to the Issuer or any subsidiary of the Issuer more than 90 days past due or (ii) is the subject of a proceeding under the United States Bankruptcy Code or any similar proceeding;

(9) such Account Receivable is not due from any affiliate of the Issuer or from the Issuer to a subsidiary of the Issuer;

(10) such Account Receivable is not the result of a credit balance relating to an Account Receivable more than 90 days past the invoice date;

(11) such Account Receivable does not relate to work-in-progress or finance or service charges;

(12) such Account Receivable shall not be from an employee or agent of the Issuer or a subsidiary of the Issuer or is in respect of goods are placed on consignment, guaranteed sale or other terms by reason of which the payment may be conditional.

For purposes of the foregoing the term "Account Receivable" means all of the Issuer's and its subsidiaries' accounts, accounts receivable, rights to the payment of money, payment intangibles, other receivables, contract rights, contracts, leases, chattel paper, electronic chattel paper, commercial tort claims, insurance refund claims and other insurance claims and proceeds of the foregoing.

For purposes of the foregoing, "Eligible Inventory Value" means the value, determined in accordance with generally accepted accounting principles consistently applied with past practice of the Issuer of the inventories of the Issuers' and its subsidiaries' products located in the Americas that are not in transit, work in progress, damaged, defective, obsolete or unmerchantable.

8. Events of Default. An "Event of Default" will occur if:

(a) The Issuer fails to pay (a) any principal of this Note or any other Note issued pursuant to the Purchase Agreement when such amount becomes due and payable in accordance with the terms thereof and such payment is not made with three Business Days of when it is due, or (b) any interest on any Note or any other payment of money required to be made to any of the Purchaser and such payment is not made within three Business Days of when it is due; or

(b) Any representation or warranty made to the Purchasers in any Transaction Document or in any certificate, agreement or instrument executed and delivered to the Purchasers by the Issuer or any of its subsidiaries or by its accountants or officers pursuant to any Transaction Document is false, inaccurate or misleading in any material respect on the date as of which made, and the Issuer receives notice thereof from the Placement Agent, a Purchaser, or a third party; or

(c) the Issuer or any of its subsidiaries defaults in the performance of any term, covenant, agreement, condition, undertaking or provision of any Transaction Document, or any financial covenants set forth in or referred to in this Note, or, in the case of any default in the performance of any term, covenant, agreement, condition, undertaking or provision of any Transaction Document which is capable of being cured, such default is not cured or waived within five (5) Business Days after the Issuer receives notice of such default from the Placement Agent, a Purchaser, or from a third party, or after an officer or director of the Issuer; or

(d) (i) The Issuer or any of its subsidiaries fails to pay any principal of or interest on any of its Material Indebtedness for a period longer than the grace period, if any, provided for such payment; or (ii) any default, other than one described in Section 8(d)(i), under any instrument or agreement evidencing, creating, securing or otherwise relating to Material Indebtedness (including, without limitation, any guaranty or assumption agreement relating to such indebtedness) or other event occurs and continues

beyond any applicable notice and cure period (for purposes of this Note the term "Material Indebtedness" means indebtedness, in an amount of $50,000 or more, for borrowed money, under capitalized leases or evidenced by a bond, debenture, note or similar instrument, and shall include, without limitation, any such indebtedness assumed or guaranteed); or

(e) (i) One or more final judgments, decrees or orders shall be entered against the Issuer or any of its subsidiaries involving in the aggregate a liability (not fully covered by insurance other than applicable deductibles) of $50,000 or more and all such judgments, decrees or orders shall not have been vacated, paid or discharged, dismissed, or stayed or bonded pending appeal (or other contest by appropriate proceedings) within sixty (60) days from the entry thereof; (ii) pursuant to one (1) or more judgments, decrees, orders, or other proceedings, whether legal or equitable, any warrant of attachment, execution or other writ is levied upon any property or assets of the Issuer or any subsidiary and is not satisfied, dismissed or stayed (or other contests by appropriate proceedings without bond or stay) within sixty (60) days; (iii) all or any substantial part of the assets or properties of the Issuer or any subsidiary are condemned, seized or appropriated by any government or governmental authority; or (iv) any order is entered in any proceeding directing the winding up, dissolution or split-up of the Issuer or any subsidiary; or

(f) The Issuer (i) commences any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or (ii) is the debtor named in any other case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (ii) remains undismissed, undischarged or unbonded for a period of sixty (60) days, or (iii) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence to, any order, adjudication or appointment of a nature referred to in clause (i) or (ii) above, or (iv) shall generally not be paying, shall be unable to pay, or shall admit in writing its inability to pay its debts as they become due, or (e) shall make a general assignment for the benefit of its creditors; or

(g) At any time there occurs a Change of Control Transaction (for purposes of this Note, a "Change of Control Transaction" shall mean (i) a sale, lease or other disposition of assets or properties of the Issuer and it subsidiaries (calculated on a consolidated basis) having a book value of fifty-one percent (51%) or more of the book value of all the assets and properties thereof, or (ii) any transaction in which any person shall directly or indirectly acquire from the holders thereof, by purchase or in a merger, consolidation or other transfer or exchange of outstanding capital stock, ownership of or control over capital stock of the Issuer (or securities exchangeable for or convertible into such stock or interests) entitled to elect a majority of the Issuer's Board of Directors or representing at least fifty-one percent (51%) of the number of shares of Common Stock outstanding; or

(h) On or at any time after the date of this Note (i) any of the Transaction Documents for any reason, other than a partial or full release in accordance with the terms thereof, ceases to be in full force and effect or is declared to be null and void, (ii) the Security Agreement shall cease to provide the Purchasers a valid security interest in any of the collateral purported to be covered thereby, perfected and with the priority required thereby, subject only to liens permitted under this Agreement and such Security Agreement, and such default in clause (i) or (ii) is not cured or waived within ten (10) days after the Issuer receives notice of such default from a Purchaser or from a third party, or (c) the Issuer or any subsidiary of the Issuer contests the validity or enforceability of any Transaction Document in writing or denies that it has any further liability under any Transaction Document to which it is party, or gives notice to such effect.

9. Remedies. At such time that an Event of Default has occurred and is continuing, then Holder, by written notice to Issuer (the "Notice"), may declare all amounts hereunder immediately due and payable in cash and Holder will be entitled to reimbursement of its reasonable costs and expenses related to collection of all amounts owing in connection thereof. Except for the Notice, Holder need not provide, and Issuer hereby waives, any presentment, demand, protest or other notice of any kind, and Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such election may be rescinded and annulled by Holder at any time prior to payment hereunder. No such rescission or annulment will affect any subsequent Event of Default or impair any right consequent thereon.

10. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder will be in writing and will be deemed given and effective on the earliest of (a) the date of transmission if such notice or communication is delivered by fax prior to 5:30 p.m. (Eastern Time) on a Business Day, (b) the next Business Day after the date of transmission if such notice or communication is delivered via fax on a day that is not a Business Day or later than 5:30 p.m. (Eastern Time) on a Business Day, (c) the 2nd business day after the date of mailing if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The facsimile number and address for such notices and communications are as set forth on the signature pages to the Purchase Agreement or as otherwise notified by any party in a writing to the others in accordance herewith from time to time.

SIGNED, SEALED AND DELIVERED as of the date first above written.

NEXXUS LIGHTING, INC.

By: _____
Name: John C. Oakley
Title: Chief Financial Officer

Exhibit B
to
Note and Warrant Purchase Agreement

FORM OF WARRANT

NEITHER THIS WARRANT NOR ANY SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT AND THE COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER APPLICABLE SECURITIES LAWS OR UNLESS OFFERED, SOLD OR TRANSFERRED PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS.

NEXXUS LIGHTING, INC.

COMMON STOCK PURCHASE WARRANT

No. _____ **June 26, 2008**

NEXXUS LIGHTING, INC., a Delaware corporation (the "Company"), hereby certifies that _____, its permissible transferees, designees, successors and assigns (collectively, the "Holder"), for value received, is entitled to purchase from the Company at any time commencing on the effective date (the "Effective Date"), which shall be the date of the Closing (as defined in the Note and Warrant Purchase Agreement (the "Securities Purchase Agreement"), dated as of June 26, 2008, by and among the Company and the Purchasers listed on Schedule 1 thereto), and terminating on the third anniversary of such date (the "Termination Date") up to _____ shares (each, a "Share" and collectively the "Shares") of the Company's Common Stock, $.001 par value per Share (the "Common Stock"), at an exercise price per Share equal to _____ ($_____) (the "Exercise Price"). The number of Shares purchasable hereunder and the Exercise Price are subject to adjustment as provided in Section 4 hereof. Capitalized terms used and not otherwise defined herein will have the respective meanings given to such terms in the Securities Purchase Agreement.

1. Method of Exercise; Payment.

(a) Cash Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, at any time, or from time to time, by the surrender of this Warrant (with the notice of exercise form (the "Notice of Exercise") attached hereto as Exhibit A duly executed) at the principal office of the Company, and by payment to the Company of an amount equal to the Exercise Price multiplied by the number of the Shares being purchased, which amount may be paid, at the election of the

Holder, by (i) wire transfer or certified check payable to the order of the Company, (ii) cancellation by the Holder of indebtedness or other obligations of the Company to the Holder or (iii) a combination of (i) and (ii). The person or persons in whose name(s) any certificate(s) representing Shares shall be issuable upon exercise of this Warrant shall be deemed to have become the holder(s) of record of, and shall be treated for all purposes as the record holder(s) of, the Shares represented thereby (and such Shares shall be deemed to have been issued) immediately prior to the close of business on the date or dates upon which this Warrant is exercised.

(b) Net Issue Exercise. In lieu of exercising this Warrant pursuant to Section l (a) hereof, the Holder may elect to receive a number of Shares equal to the value (as determined below) of such portion of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with the Notice of Cashless Exercise annexed hereto as Exhibit C duly executed; provided that the Net Issue Exercise set forth in this Section 1(b) is subject to adjustments set forth in Section 4 of this Warrant. In such event, the Company shall issue to the Holder a number of Shares computed using the following formula:

$$X = \frac{Y\ (A-B)}{A}$$

Where X = the number of Shares to be issued to the Holder.

Y = the number of Shares subject to this Warrant or, if only a portion of this Warrant is being exercised, the portion of the Warrant being canceled (at the time of such calculation).

A = the fair market value of one share of the Company's Common Stock (at the date of such calculation).

B = the Exercise Price (as adjusted to the date of such calculation).

(c) Fair Market Value. For purposes of this Section 1, the fair market value of the Company's Common Stock shall mean:

(i) The average of the closing price of the Company's Common Stock quoted on the Nasdaq Stock Market or in the Over-The-Counter Market Summary or the closing price quoted on any exchange on which the Common Stock is listed, whichever is applicable, as published in the The Wall Street Journal for the ten (10) trading days prior to the date of determination of fair market value;

(ii) If the Company's Common Stock is not traded on the Nasdaq Stock Market or Over-The-Counter or on an exchange, the fair market value of the Common Stock per share shall be agreed upon by the parties hereto. If the parties cannot agree on the fair market value within five (5) business days of delivery of the Notice of Exercise, the Board of Directors of the Company in good faith shall determine the fair market value of the Common Stock; provided, however, that the fair market value of the Common Stock shall be no greater than the price at which the Company last sold its Common Stock or the exercise price of its last granted options, whichever occurs later.

(d) Stock Certificates. In the event of any exercise of the rights represented by this Warrant, as promptly as practicable on or after the date of exercise and in any event within ten (10) days thereafter, the Company at its expense shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of Shares issuable upon such exercise. In the event this Warrant is exercised in part, the Company at its expense will execute and deliver a new Warrant of like tenor exercisable for the number of Shares for which this Warrant may then be exercised.

(e) Taxes. The issuance of the Shares upon the exercise of this Warrant, and the delivery of certificates or other instruments representing such Shares, shall be made without charge by the Company to the Holder for any tax or other charge in respect of such issuance.

2. Warrant.

(a) Exchange, Transfer and Replacement. At any time prior to the exercise hereof, this Warrant may be exchanged upon presentation and surrender to the Company, alone or with other warrants of like tenor of different denominations registered in the name of the same Holder, for another warrant or warrants of like tenor in the name of such Holder exercisable for the aggregate number of Shares as the warrant or warrants surrendered.

(b) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at its expense, will execute and deliver in lieu thereof, a new Warrant of like tenor.

(c) Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange or replacement as provided in this Section 2, this Warrant shall be promptly canceled by the Company. The Holder shall pay all taxes and all other expenses (including legal expenses, if any, incurred by the Holder or transferees) and charges payable in connection with the preparation, execution and delivery of Warrants pursuant to this Section 2.

(d) Warrant Register. The Company shall maintain, at its principal executive offices (or at the offices of the transfer agent for the Warrant or such other office or agency of the Company as it may designate by notice to the holder hereof), a register for this Warrant (the "Warrant Register"), in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

3. Rights and Obligations of Holders of this Warrant. The Holder of this Warrant shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company, either at law or in equity; provided, however, that in the event any certificate representing shares of Common Stock or other securities is issued to the holder hereof upon exercise of this Warrant, such holder shall, for all purposes, be deemed to have become the holder of record of such Common Stock on the date on which this Warrant, together with a duly executed Election to Purchase, was surrendered and payment of the aggregate Exercise Price was made, irrespective of the date of delivery of such Common Stock certificate.

4. Adjustments.

(a) Stock Dividends, Reclassifications, Recapitalizations, Etc. In the event the Company: (i) pays a dividend in Common Stock or makes a distribution in Common Stock, (ii) subdivides its outstanding Common Stock into a greater number of shares, (iii) combines its outstanding Common Stock into a smaller number of shares or (iv) increases or decreases the number of shares of Common Stock outstanding by reclassification of its Common Stock (including a recapitalization in connection with a consolidation or merger in which the Company is the continuing corporation), then (1) the Exercise Price on the record date of such division or distribution or the effective date of such action shall be adjusted by multiplying such Exercise Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event and the denominator of which is the number of shares of Common Stock outstanding immediately after such event, and (2) the number of shares of Common Stock for which this Warrant may be exercised immediately before such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the Exercise Price immediately before such event and the denominator of which is the Exercise Price immediately after such event.

(b) Cash Dividends and Other Distributions. In the event that at any time or from time to time the Company shall distribute to all holders of Common Stock (i) any dividend or other distribution of cash, evidences of its indebtedness, shares of its capital stock or any other properties or securities or (ii) any options, warrants or other rights to subscribe for or purchase any of the foregoing (other than in each case, (w) the issuance of any rights under a shareholder rights plan, (x) any dividend or distribution described in Section 4(a), (y) any rights, options, warrants or securities described in Section 4(c) and (z) any cash dividends or other cash distributions from current or retained earnings), then the number of shares of Common Stock issuable upon the exercise of this Warrant shall be increased to a number determined by multiplying the number of shares of Common Stock issuable upon the exercise of this Warrant immediately prior to the record date for any such dividend or distribution by a fraction,

the numerator of which shall be such Current Market Value (as hereinafter defined) per share of Common Stock on the record date for such dividend or distribution, and the denominator of which shall be such Current Market Value per share of Common Stock on the record date for such dividend or distribution less the sum of (x) the amount of cash, if any, distributed per share of Common Stock and (y) the fair value (as determined in good faith by the Board of Directors of the Company, whose determination shall be evidenced by a board resolution, a copy of which will be sent to the Holders upon request) of the portion, if any, of the distribution applicable to one share of Common Stock consisting of evidences of indebtedness, shares of stock, securities, other property, warrants, options or subscription or purchase rights; and the Exercise Price shall be adjusted to a number determined by dividing the Exercise Price immediately prior to such record date by the above fraction. Such adjustments shall be made whenever any distribution is made and shall become effective as of the date of distribution, retroactive to the record date for any such distribution. No adjustment shall be made pursuant to this Section 4(b) which shall have the effect of decreasing the number of shares of Common Stock issuable upon exercise of this Warrant or increasing the Exercise Price.

(c) Combination: Liquidation. (i) In the event of a Combination (as defined below), each Holder shall have the right to receive upon exercise of the Warrant the kind and amount of shares of capital stock or other securities or property which such Holder would have been entitled to receive upon or as a result of such Combination had such Warrant been exercised immediately prior to such event (subject to further adjustment in accordance with the terms hereof). Unless paragraph (ii) is applicable to a Combination, the Company shall provide that the surviving or acquiring Person (the "Successor Company") in such Combination will assume by written instrument the obligations under this Section 4 and the obligations to deliver to the Holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, the Holder may be entitled to acquire. "Combination" means an event in which the Company consolidates with, mergers with or into, or sells all or substantially all of its assets to another Person, where "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity; (ii) In the event of (x) a Combination where consideration to the holders of Common Stock in exchange for their shares is payable solely in cash or (y) the dissolution, liquidation or winding-up of the Company, the Holders shall be entitled to receive, upon surrender of their Warrant, distributions on an equal basis with the holders of Common Stock or other securities issuable upon exercise of the Warrant, as if the Warrant had been exercised immediately prior to such event, less the Exercise Price. In case of any Combination described in this Section 4, the surviving or acquiring Person and, in the event of any dissolution, liquidation or winding-up of the Company, the Company, shall deposit promptly with an agent or trustee for the benefit of the Holders of the funds, if any, necessary to pay to the Holders the amounts to which they are entitled as described above. After such funds and the surrendered Warrant are received, the Company is required to deliver a check in such amount as is appropriate (or, in the case or consideration other than cash, such other consideration as is appropriate) to such Person or Persons as it may be directed in writing by the Holders surrendering such Warrant.

(d) In the event that prior to June 26, 2009 the Company issues any Additional Stock (as defined below) for a consideration per share less than the Exercise Price in effect immediately prior to the issuance of such Additional Stock, the Exercise Price in effect immediately prior to each such issuance shall forthwith be adjusted to equal the consideration per share at which the Additional Stock was issued. In the case of the issuance of Additional Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Additional Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors of the Company. For purposes of this Section 4(d), the term "Additional Stock" means any Common Stock or securities which by their terms are convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, except for (i) up to 1,500,000 shares of Common Stock (or options, warrants or other rights to purchase such Common Stock) issued or issuable to employees, consultants, officers or directors of the Company pursuant to a stock option plan or restricted stock plan and any other equity incentive plan or agreement approved by the Board of Directors, whether issued or issuable before or after the Effective Date, net of any such shares of Common Stock repurchased by the Company and any such options, warrants, or other rights to purchase such Common Stock that expire unexercised, and subject to appropriate adjustment for stock splits, stock dividends, combinations or other recapitalizations with respect to such shares, (ii) securities issued in connection with corporate partnering transactions, or in connection with bona fide acquisitions of businesses (whether pursuant to a merger, consolidation, asset acquisition or otherwise) approved by the Board of Directors, (iii) up to 4,860,712 shares of Common Stock (subject to applicable adjustment for stock splits, stock dividends, combinations or other recapitalizations) issued or issuable upon the exercise of certain currently outstanding options, warrants or other rights to purchase or acquire such Common Stock, (iv) up to 500,000 shares of Common Stock issued to vendors or customers or to other persons or entities in similar commercial situations with the Company if such issuance is approved by the Board of Directors, (v) up to 500,000 shares of Common Stock issued in connection with obtaining any equipment loan or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial institution, whether issued to a lessor, guarantor or other person or entity if such issuance is approved by the Board of Directors, and (vi) the Warrants, shares of Common Stock issuable upon exercise of the Warrants and such other securities issued with the prior written consent of a majority of the holders of Warrants.

(e) NASDAQ Limitation. Notwithstanding any other provision in Section 4(d) to the contrary, if a reduction in the Exercise Price pursuant to Section 4(d) would require the Company to obtain stockholder approval of the transactions contemplated by the Securities Purchase Agreement pursuant to any applicable Nasdaq rules, including Nasdaq Marketplace Rule 4350(i), and such stockholder approval has not been obtained, the Exercise Price shall be reduced to the maximum Exercise Price that would not require

stockholder approval under such applicable Nasdaq rules. In no event shall the Exercise Price be reduced below the greater of book value or market value on the Closing Date of the Securities Purchase Agreement.

(f) Notice of Adjustment. Whenever the Exercise Price or the number of shares of Common Stock and other property, if any, issuable upon exercise of the Warrant is adjusted, as herein provided, the Company shall deliver to the holders of the Warrant in accordance with Section 9 a certificate of the Company's Chief Financial Officer setting forth, in reasonable detail, the event requiring the adjustment and the method by which such adjustment was calculated (including a description of the basis on which (i) the Board of Directors determined the fair value of any evidences of indebtedness, other securities or property or warrants, options or other subscription or purchase rights and (ii) the Current Market Value of the Common Stock was determined, if either of such determinations were required), and specifying the Exercise Price and number of shares of Common Stock issuable upon exercise of Warrant after giving effect to such adjustment.

(g) Notice of Certain Transactions. In the event that the Company shall propose (a) to pay any dividend payable in securities of any class to the holders of its Common Stock or to make any other non-cash dividend or distribution to the holders of its Common Stock, (b) to offer the holders of its Common Stock rights to subscribe for or to purchase any securities convertible into shares of Common Stock or shares of stock of any class or any other securities, rights or options, (c) to effect any capital reorganization, reclassification, consolidation or merger affecting the class of Common Stock, as a whole, or (d) to effect the voluntary or involuntary dissolution, liquidation or winding-up of the Company, the Company shall, within the time limits specified below, send to each Holder a notice of such proposed action or offer. Such notice shall be mailed to the Holders at their addresses as they appear in the Warrant Register (as defined in Section 2(d)), which shall specify the record date for the purposes of such dividend, distribution or rights, or the date such issuance or event is to take place and the date of participation therein by the holders of Common Stock, if any such date is to be fixed, and shall briefly indicate the effect of such action on the Common Stock and on the number and kind of any other shares of stock and on other property, if any, and the number of shares of Common Stock and other property, if any, issuable upon exercise of each Warrant and the Exercise Price after giving effect to any adjustment pursuant to Section 4 which will be required as a result of such action. Such notice shall be given as promptly as possible and (x) in the case of any action covered by clause (a) or (b) above, at least ten (10) days prior to the record date for determining holders of the Common Stock for purposes of such action or (y) in the case of any other such action, at least twenty (20) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of Common Stock, whichever shall be the earlier.

(h) Current Market Value. "Current Market Value" per share of Common Stock or any other security at any date means (i) if the security is not registered under the Securities Exchange Act of 1934 and/or traded on a national securities exchange, quotation system or bulletin board, as amended (the "Exchange Act"), (a) the value of the security, determined in good faith by the Board of Directors of the Company and certified

in a board resolution, based on the most recently completed arm's-length transaction between the Company and a Person other than an affiliate of the Company or between any two such Persons and the closing of which occurs on such date or shall have occurred within the six-month period preceding such date, or (b) if no such transaction shall have occurred within the six-month period, the value of the security as determined by an independent financial expert or an agreed upon financial valuation model or (ii) if the security is registered under the Exchange Act and/or traded on a national securities exchange, quotation system or bulletin board, the average of the daily closing bid prices (or the equivalent in an over-the-counter market) for each day on which the Common Stock is traded for any period on the principal securities exchange or other securities market on which the Common Stock is being traded (each, a "Trading Day") during the period commencing thirty (30) days before such date and ending on the date one day prior to such date.

5. Fractional Shares. In lieu of issuance of a fractional share upon any exercise hereunder, the Company will issue an additional whole share in lieu of that fractional share, calculated on the basis of the Exercise Price.

6. Legends. Prior to issuance of the shares of Common Stock underlying this Warrant, all such certificates representing such shares shall bear a restrictive legend to the effect that the Shares represented by such certificate have not been registered under the 1933 Act, and that the Shares may not be sold or transferred in the absence of such registration or an exemption therefrom, such legend to be substantially in the form of the bold-face language appearing at the top of Page 1 of this Warrant.

7. Disposition of Warrants or Shares. The Holder of this Warrant, each transferee hereof and any holder and transferee of any Shares, by his or its acceptance thereof, agrees that no public distribution of Warrants or Shares will be made in violation of the provisions of the 1933 Act. Furthermore, it shall be a condition to the transfer of this Warrant that any transferee thereof deliver to the Company his or its written agreement to accept and be bound by all of the terms and conditions contained in this Warrant.

8. Merger or Consolidation. The Company will not merge or consolidate with or into any other corporation, or sell or otherwise transfer its property, assets and business substantially as an entirety to another corporation, unless the corporation resulting from such merger or consolidation (if not the Company), or such transferee corporation, as the case may be, shall expressly assume, by supplemental agreement reasonably satisfactory in form and substance to the Holder, the due and punctual performance and observance of each and every covenant and condition of this Warrant to be performed and observed by the Company.

9. Notices. Any notice herein required or permitted to be given shall be in writing and may be personally served or delivered by nationally-recognized overnight courier or by facsimile machine confirmed telecopy, and shall be deemed given and effective on the earliest of (a) the date of transmission if such notice or communication is

delivered by fax prior to 5:30 p.m. (Eastern Time) on a Business Day, (b) the next Business Day after the date of transmission if such notice or communication is delivered via fax on a day that is not a Business Day or later than 5:30 p.m. (Eastern Time) on a Business Day, (c) the 2nd business day after the date of mailing if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be:

If to the Company: Nexxus Lighting, Inc.
124 Floyd Smith Drive
Charlotte, North Carolina 28262
Attention: John C. Oakley, Chief Financial Officer
Facsimile: 704-405-0422

with a copy to:

Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
215 North Eola Drive
Orlando, FL 32801
Attention: Suzan Abramson, Esq.
Facsimile: 407-843-4444

if to the Holder: to the Holder's address as specified in the records of the Company

Notwithstanding the time of effectiveness of notices set forth in this Section, an Election to Purchase shall not be deemed effectively given until it has been duly completed and submitted to the Company together with this original Warrant and payment of the Exercise Price in a manner set forth in this Section.

10. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in the State of Delaware.

11. Successors and Assigns. This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12. Headings. The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

13. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

14. Modification and Waiver. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder.

15. Specific Enforcement. The Company and the Holder acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which either of them may be entitled by law or equity.

16. Assignment. Subject to prior written approval by the Company, this Warrant may be transferred or assigned, in whole or in part, at any time and from time to time by the then Holder by submitting this Warrant to the Company together with a duly executed Assignment in substantially the form and substance of the Form of Assignment which accompanies this Warrant, as Exhibit B hereto, and, upon the Company's receipt hereof, and in any event, within five (5) Business Days thereafter, the Company shall issue a warrant to the Holder to evidence that portion of this Warrant, if any as shall not have been so transferred or assigned.

[the following section is optional, based on the choice of each Purchaser]

17. Limitation on Exercise. Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed [9.999%][4.999%] [original Purchaser shall choose one] of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. Each delivery of an Exercise Notice hereunder will constitute a representation by the Holder that it has evaluated the limitation set forth in this paragraph and determined that issuance of the full number of Warrant Shares requested in such Exercise Notice is permitted under this paragraph. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a merger or other business combination or reclassification involving the Company. This restriction may not be waived without the consent of the Holder.

(signature page immediately follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed, manually or by facsimile, by one of its officers thereunto duly authorized.

NEXXUS LIGHTING, INC.

Date: June___, 2008

By: _____
Name: John C. Oakley
Title: President and Chief Financial Officer

EXHIBIT A
TO
WARRANT CERTIFICATE

ELECTION TO PURCHASE

To Be Executed by the Holder
in Order to Exercise the Warrant

The undersigned Holder hereby elects to purchase _____ Shares pursuant to the attached Warrant, and requests that certificates for securities be issued in the name of:

_____
(Please type or print name and address)
_____
_____
_____
(Social Security or Tax Identification Number)

and delivered
to: _____
_____.

(Please type or print name and address if different from above)

If such number of Shares being purchased hereby shall not be all the Shares that may be purchased pursuant to the attached Warrant, a new Warrant for the balance of such Shares shall be registered in the name of, and delivered to, the Holder at the address set forth below.

In full payment of the purchase price with respect to the Shares purchased and transfer taxes, if any, the undersigned hereby tenders payment of $_____ by check, money order or wire transfer payable in United States currency to the order of NEXXUS LIGHTING, INC.

HOLDER:

By:_____
Name:
Title:
Address:

Dated:_____

EXHIBIT B
TO
WARRANT

FORM OF ASSIGNMENT
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto _____ the right represented by the within Warrant to purchase _____ shares of Common Stock of Nexxus Lighting, Inc., a Delaware corporation, to which the within Warrant relates, and appoints _____ Attorney to transfer such right on the books of Nexxus Lighting, Inc., a Delaware corporation, with full power of substitution of premises.

Dated:

By:_____
Name:
Title:
(signature must conform to name of holder as specified on the fact of the Warrant)
Address:

Signed in the presence of :

Dated:

EXHIBIT C
TO
WARRANT

NOTICE OF EXERCISE OF COMMON STOCK WARRANT
PURSUANT TO NET ISSUE ("CASHLESS") EXERCISE PROVISIONS

Nexxus Lighting, Inc.
124 Floyd Smith Drive, Suite 300
Charlotte, North Carolina 28262

Number of Shares of
Common Stock to be
Issued Under this
Notice:

CASHLESS EXERCISE

Gentlemen:

The undersigned, registered holder of the Warrant to Purchase Common Stock delivered herewith ("Warrant") hereby irrevocably exercises such Warrant for, and purchases thereunder, shares of the Common Stock of **NEXXUS LIGHTING, INC.**, a Delaware corporation, as provided below. Capitalized terms used herein, unless otherwise defined herein, shall have the meanings given in the Warrant. The portion of the Aggregate Price (as hereinafter defined) to be applied toward the purchase of Common Stock pursuant to this Notice of Exercise is $_____, thereby leaving a remainder Aggregate Price (if any) equal to $_____. Such exercise shall be pursuant to the net issue exercise provisions of Section 1(b) of the Warrant. Therefore, the holder makes no payment with this Notice of Exercise. The number of shares to be issued pursuant to this exercise shall be determined by reference to the formula in Section 1(b) of the Warrant which requires the use of the fair market value (as defined in Section 1(c) of the Warrant) of the Company's Common Stock on the business day immediately preceding the day on which this Notice is received by the Company. To the extent the foregoing exercise is for less than the full Aggregate Price of the Warrant, the remainder of the Warrant representing a number of Shares equal to the quotient obtained by dividing the remainder of the Aggregate Price by the Warrant Price (and otherwise of like form, tenor and effect) may be exercised under Section 1(b) of the Warrant. For purposes of this Notice the term "Aggregate Price" means the product obtained by multiplying (i) the number of shares of Common Stock for which the Warrant is exercisable times the Warrant Price.

Signature: _____

Address: _____

Date: _____

Exhibit 10.4

SECURITY AGREEMENT

THIS AGREEMENT is made as of June 26, 2008 between **NEXXUS LIGHTING, INC.**, as debtor, a Delaware corporation (**"Debtor"**), and **Jay Weil**, as collateral agent (**"Collateral Agent"**) for the secured parties (**"Secured Parties"**) pursuant to that certain Collateral Agent Agreement (the **"Collateral Agent Agreement"**) dated as of the date hereof among Debtor, Collateral Agent and Secured Parties.

FOR VALUE RECEIVED, Debtor hereby represents, warrants, covenants and agrees as follows:

1. Security Interest. (a) To secure its obligations under the Notes (as defined in the Note and Warrant Purchase Agreement, dated as of June 26, 2008 between the Debtor and the Secured Parties (the "**Purchase Agreement**")), Debtor hereby grants to Secured Parties, *pari passu*, a present and continuing first priority security interest (the "Security Interest in all of Debtor's right, title and interest in, to and under all its property (the **"Collateral"**), whether now owned or existing or hereafter acquired or arising and wheresoever located, including, without limitation:

(i) all of Debtor's software, including all source code, object code and documentation, and lexicon databases together, including all trade secrets, copyrights and other property rights therein;

(ii) all of Debtor's patents and patent applications, and all continuations, divisions, re-issues and renewals thereof, in whole or in part, together with any patents that may be issued with respect thereto;

(iii) all of Debtor's trademarks, service marks and applications for trademarks and service marks, including, but not limited to, the trademarks and applications to register trademarks listed on **Exhibit A** attached hereto and made a part hereof, all common law rights in the trade marks, service marks and trade names subject to such registrations, all statutory rights that may attach to any registrations thereof and any related renewals, and all related good will;

(iv) all of Debtor's copyrights and copyright applications;

(v) the right to sue for past, present and future infringement or misappropriation of trade secrets, copyrights, patents, trademarks and service marks, and all rights corresponding thereto throughout the world;

(vi) all products and proceeds of the foregoing, including the right to receive license fees, royalties and other payments in respect thereof, the proceeds of any infringement suits, and so forth;

(vii) all equipment (including all machinery, tools and furniture), all inventory (including all merchandise, raw materials, work in process, finished goods and supplies), motor vehicles and goods (the **"Tangible Collateral"**);

(viii) all accounts, accounts receivable, rights to the payment of money, payment intangibles, other receivables, contract rights, contracts, leases, chattel paper, electronic chattel paper, commercial tort claims, insurance refund claims and other insurance claims and proceeds, and general intangibles of Debtor, including, without limitation, all tax refund claims, goodwill, going concern value, blueprints, designs, computer programs, software, service marks, inventions, trade names, customer lists, product lines and research and development, all of Debtor's rights under all present and further authorizations, permits, licenses and franchises heretofore or hereafter granted to Debtor for the operation of Debtor's business (including, to the maximum extent permitted by law, all rights incident to appurtenant to such licenses and permits, including, without limitation, the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of such licenses and permits;

(ix) all instruments, documents of title, letters of credit, rights to proceeds of letters of credit, letter of credit rights, supporting obligations of every kind and description, policies and certificates of insurance, securities, securities entitlements, investment property, partnership interests, membership interests in limited liability companies (including, without limitation, all of Debtors' right, title and interest in and to all limited liability companies, including, without limitation, Advanced Lighting Systems, LLC, and partnership interests in partnerships and to any successor business entities, and the right to receive all payments and distributions due or to become due under all related partnership agreements, operation agreements, and other constituent documents governing or establishing such business entities), bank deposits, deposit accounts, checking accounts, certificates of deposit and cash;

(x) all accessions, additions or improvements to, and all proceeds and products of, all of the foregoing, including proceeds of insurance; and

(xi) all books, records, documents, computer tapes and discs relating to all of the foregoing.

(b) All Collateral consisting of accounts, contract rights, chattel paper, general intangibles and other Collateral described in subparagraph (viii) above arising from the sale, delivery or provision of goods and/or services are sometimes hereinafter collectively called the **"Customer Receivables."**

(c) Debtor hereby acknowledges and agrees that the description of Collateral contained in this Security Agreement covers, and is intended to cover, all assets of Debtor. For avoidance of doubt, it is expressly understood and agreed that, to the extent that the Uniform Commercial Code (**"UCC"**) is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties agree that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision, it being the intention of the parties hereto that the description of Collateral set forth herein be construed to include the broadest possible range of property and assets and all tangible and intangible personal property and fixtures of Debtor of every kind and description.

2. Collateral Agent. The rights of Secured Parties in the Collateral will be exercisable by Collateral Agent as agent for Secured Parties pursuant to the Purchase Agreement. In such capacity, from time to time and at any time, Collateral Agent may in its sole discretion take any and all actions, exercise any and all rights and remedies, give any and all waivers and forbearances, and make any and all determinations and elections that Secured Parties are entitled to exercise under this Agreement and the Notes. Debtor will be entitled to rely solely on the actions of Collateral Agent as binding all Secured Parties.

3. Other Matters.

(a) Perfection. From time to time and at any time, Debtor will execute such financing statements, assignments, notices of assignments, registrations of the collateral assignment of its patents, trademarks and copyrights, and such other filings, notices and any other documents and do such other acts as Collateral Agent may reasonably request for the purpose of perfecting, confirming, continuing, enforcing and/or protecting the security interest of Secured Parties in the Collateral. Debtor will furnish to Collateral Agent promptly upon request such information as may be necessary to complete such financing statements, filings and other documents. From time to time and at any time, Collateral Agent may file any and all such documents with the appropriate registries as necessary to perfect, confirm, continue, enforce or protect the security interest of Secured Parties in the Collateral. Debtor hereby appoints Collateral Agent as its attorney in fact with the power and authority to execute and deliver in Debtor's name any of the foregoing financing statements, assignments, notices of assignments and other documents that Debtor refuses or is unable to so execute and deliver. This power of attorney is coupled with an interest and is irrevocable.

(b) Obligations of Collateral Agent. In addition to those duties and powers of Collateral Agent pursuant to the Purchase Agreement, upon payment in full of all outstanding amounts due under the Notes, Collateral Agent will promptly terminate all financing statements, filings and other documents referenced in Section 3(a) hereof, and execute and deliver to Debtor such termination statements, releases, re-assignments and other instruments as necessary to re-vest in Debtor full title to the Collateral and to remove all liens and security interests of Secured Parties therein. Collateral Agent hereby appoints Debtor as its attorney in fact with the power and authority to execute and deliver in the name of Collateral Agent and/or Secured Parties any of the foregoing termination statements, releases, re-assignments and other instruments that Collateral Agent and/or Secured Parties refuse or are unable to so execute and deliver. This power of attorney is coupled with an interest and is irrevocable.

(c) Rights and Remedies of Secured Parties. The rights and remedies of Secured Parties with respect to the security interest granted hereby are in addition to those set forth in the Notes, and those which are now or hereafter available to Secured Parties as a matter of law or equity. Each right, power and remedy of Secured Parties provided for herein or in the Notes, or now or hereafter existing at law or in equity, will be cumulative and concurrent and will be in addition to every right, power or remedy provided for herein and the exercise by Secured Parties of any one or more of the rights, powers or remedies provided for in this Agreement or the Notes, or now or hereafter existing at law or in equity, will not preclude the simultaneous or later exercise by any person, including Secured Parties, of any or all other rights, powers or remedies.

4. Use of Collateral. Unless an Event of Default has occurred and is continuing under any Note:

(a) Debtor may deal in the Collateral in the ordinary course of business, including the payment of expenses incurred in the ordinary course of the Debtor's business and the repayment of any loans listed on Schedule 4.1, but in no event may Debtor transfer or assign (i) all or substantially all of its rights in the Collateral to any other person (including a subsidiary or affiliate of Debtor) or (ii) any rights in all or any portion of the Collateral to any subsidiary oraffiliate of Debtor, in each case without the prior written consent of Collateral Agent. Debtor may grant licenses to third parties for the use of, and/or sublicense of, all or any part of the Collateral, on a non-exclusive basis or exclusive basis, but in no event shall any such exclusive license have a term of more than one year unless Debtor first obtains the prior written consent of Collateral Agent. Licenses may be granted for up-front or recurring license fees, or for other consideration, for such periods of time as Debtor deems appropriate (including license terms that extend beyond the maturity of any Note), and on such other terms and conditions as Debtor deems appropriate, and all such licenses, sublicenses and other grants of rights will survive any repossession of or foreclosure on the Collateral by Collateral Agent;

(b) the proceeds of Debtor's licensing and other dealings in the Collateral may be used by Debtor for any proper corporate purposes; and

(c) Debtor may grant one or more third parties a security interest in some or all of the Collateral in connection with a purchase money security interest retained by a seller of goods or services. Provided that it has first obtained the written consent of Collateral Agent, Debtor may grant one or more third parties other types of security interests in some or all of the Collateral to third parties, however, all such interests must be junior and subordinated to the security interest of Secured Parties and such junior secured parties may not take any action with respect to the Collateral without the prior written consent of Collateral Agent.

5. Events of Default. (a) Debtor will be in default under this Agreement upon the occurrence of any one of the following events (each, an **"Event of Default"**):

(i) default by Debtor in the due observance or performance of any material covenant or agreement contained herein or material breach by Debtor of any material representation or warranty herein contained and Debtor fails to cure such default within thirty (30) days following written demand by Collateral Agent; or

(ii) any event of default under the Notes occurs; or

(iii) default by Debtor in the payment when due of the principal of, or interest on, any other indebtedness of Debtor to any Secured Party and Debtor fails to cure such default within thirty (30) days following written demand by Collateral Agent.

(b) If Debtor defaults under this Agreement or any Note and the commercial value of the Collateral exceeds the outstanding amounts due to Secured Parties, then Collateral

Agent will act in good faith in a commercially reasonable manner in disposing of or otherwise dealing in the Collateral in order not to prejudice the interests of Debtor's other secured creditors, unsecured creditors and shareholders.

6. Remedies Upon Event of Default. If any Event of Default will have occurred and be continuing, Collateral Agent may exercise all the rights and remedies of a Secured Party under the Purchase Agreement and the UCC (whether or not the UCC is in effect in the jurisdiction where such rights and remedies are exercised) and, in addition, Collateral Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) apply the cash, if any, then held by it as Collateral in the manner specified in Section 8, and (ii) if there will be no such cash or if such cash will be insufficient to pay all the obligations in full, sell the Collateral, or any part thereof, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or prices as Collateral Agent may deem satisfactory. Collateral Agent may require Debtor to assemble all or any part of the Collateral and make it available to Collateral Agent at a place to be designated by Collateral Agent which is reasonably convenient. Collateral Agent and any Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. Upon any such sale Collateral Agent will have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale will hold the Collateral so sold absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of Debtor. Debtor, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as Collateral Agent may determine. Collateral Agent will not be obligated to make such sale pursuant to any such notice. Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Collateral Agent until the selling price is paid by the purchaser thereof, but Collateral Agent will not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. Collateral Agent, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the security interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

7. Right of Collateral Agent to Use and Operate Tangible Collateral, Etc. Upon the occurrence of an Event of Default, to the extent permitted by law, Collateral Agent will have the right and power to take possession of all or any part of the Tangible Collateral, and to exclude Debtor and all persons claiming under Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, Collateral Agent may, from time to time, at the expense of Debtor, make all such repairs, replacements, alterations, additions and improvements to and of the Tangible Collateral

as Collateral Agent may deem proper. In such case, Collateral Agent will have the right to manage and control the Tangible Collateral and to carry on the business and to exercise all rights and powers of Debtor in respect thereto as Collateral Agent will deem best, including the right to enter into any and all such agreements with respect to the leasing and/or operation of the Tangible Collateral and any part thereof as Collateral Agent may see fit; and the Secured Party will be entitled to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income will be applied to pay the expenses of holding and operating the Tangible Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which Collateral Agent may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Tangible Collateral or any part thereof, and all other payments which Collateral Agent may be required or authorized to make under any provision of this Security Agreement (including legal costs and attorney's fees). The remainder of such rents, issues, profits, fees, revenues and other income will be applied to the payment of the obligations in such order or priority as Collateral Agent will determine (subject to the provisions of Section 8 hereof) and, unless otherwise provided by law or by a court of competent jurisdiction, any surplus will be paid over to Debtor.

8. Application of Collateral and Proceeds. If an Event of Default will have occurred and be continuing, the proceeds of any sale of, or other realization upon, all or any part of the Collateral will be applied in the following order of priorities:

(i) first, to pay the expenses of such sale or other realization, including those reasonable expenses, liabilities and advances actually incurred or made by Collateral Agent and its agent and counsel in connection therewith, and any other unreimbursed expenses of which Collateral Agent is to be reimbursed pursuant to Section 9 as determined in its sole discretion;

(ii) second, to the payment of the obligations in such other manner as Collateral Agent, in its sole discretion, will determine; and

(iii) finally, to pay to Debtor, or its successors or assigns, or to a court of competent jurisdiction, or as directed by a court of competent jurisdiction, any surplus then remaining from such proceeds.

9. Expenses; Secured Parties' Lien. Debtor will promptly upon demand pay to Collateral Agent:

(a) the amount of any taxes which the Secured Parties may have been required to pay by reason of the security interests herein (including any applicable transfer taxes) or to free any of the Collateral from any lien thereon; and

(b) the amount of any and all reasonable out-of-pocket expenses, including the reasonable fees and disbursements of Collateral Agent's counsel and of any agents not regularly in its employ, which Collateral Agent may actually incur in connection with (x) the preparation and administration of this Agreement, (y) the collection, sale or total disposition of any of the Collateral, (z) the exercise by Collateral Agent of any of the powers conferred upon it hereunder, or (aa) any default on Debtor's part hereunder.

10. Covenants of Debtor. Debtor hereby covenants and agrees that Debtor will:

(a) defend the Collateral against all claims and demands of all persons at any time claiming any interest therein;

(b) provide Collateral Agent with immediate written notice of (i) any change in the chief executive officer of Debtor or the office where Debtor maintains its books and records pertaining to the Customer Receivables, or (ii) the movement or location of Collateral (outside the ordinary course of business) to or at any address other than as set forth on Schedule 10(b) attached hereto.;

(c) promptly pay any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges shall be contested in good faith by Debtor;

(d) immediately notify Collateral Agent of any event causing a substantial loss or diminution in the value of all or any material part of the Collateral and the amount or an estimate of the amount of such loss or diminution; and

(e) keep its records concerning the Collateral, including the Customer Receivables and all chattel paper included in the Customer Receivables, at its principal office, one or more of the locations set forth on Schedule 10(e) attached hereto or at such other place or places of business as the Secured Party may approve in writing, or if in electronic form will ensure that it is available at its principal office. Debtor will hold and preserve such records and chattel paper and, provided reasonable notice has been given to Debtor, will permit representatives of the Secured Party at any time during normal business hours to examine and inspect the Collateral and to make abstracts from such records and chattel paper and will furnish to the Secured Party such information and reports regarding the Collateral as the Secured Party may from time to time reasonably request.

11. Collections with Respect to Customer Receivables. Debtor will, at its expense, and subject at all times to Collateral Agent's right to give directions and instructions:

(a) endeavor to collect or cause to be collected from customers indebted on Customer Receivables, as and when due, any and all amounts, including interest, owing under or on account of each Customer Receivables; and

(b) take or cause to be taken such appropriate action to repossess goods, the sale or rental of which gave rise to any Customer Receivables, or to enforce any rights or liens under Customer Receivables, as Debtor or Collateral Agent may deem proper, and in the name of Debtor, or Collateral Agent , as Collateral Agent may deem proper;

provided that (x) Debtor will use its best judgment to protect the interests of the Secured Parties and (y) Debtor shall not be required under this Section 11 to take any action which would be contrary to any applicable law or court order. Debtor shall, at the request of Collateral Agent following the occurrence of any Event of Default (as defined in Section 5 above), notify the account debtors of the security interests of the Secured Parties in any of the Customer Receivables and Collateral Agent may also notify such account debtors of such security interests. Collateral Agent will have full power at any time after such notice to collect, compromise, endorse, sell or otherwise deal with any or all outstanding Customer Receivables or the proceeds thereof in the name of either Collateral Agent or Debtor. In the event that, after notice to any account debtors to pay Collateral Agent on behalf of the Secured Parties, Debtor receives any payment on a Customer Receivable, any such payments shall be held by Debtor in trust for Collateral Agent and immediately turned over to Collateral Agent as aforesaid.

12. Interpretation. This Agreement will be interpreted in accordance with, and subject to the provisions of, the Purchase Agreement applicable to all Transaction Documents (as such term is defined therein). Without limiting the foregoing, this Agreement is governed by Delaware law.

13. Termination of this Agreement. This Agreement and the Security Interest shall terminate immediately on the satisfaction of all of the Company's obligations under the Note and Purchase Agreement and the Collateral Agent shall immediately thereafter return to the Company any Collateral directly or indirectly in its possession or control.

[signatures on following page]

[signature page for Security Agreement]

SIGNED AND DELIVERED as of the date first above written.

NEXXUS LIGHTING, INC.

By: /s/ John C. Oakley
Name: John C. Oakley
Title: Chief Financial Officer

COLLATERAL AGENT:

/s/ Jay Weil
Name: Jay Weil

Exhibit 10.5

STOCK PLEDGE AND SECURITY AGREEMENT

THIS STOCK PLEDGE AND SECURITY AGREEMENT (the "Agreement") is made and entered into effective as of the 26th day of June, 2008, by and between Nexxus Lighting, Inc., a Delaware corporation (the "Pledgor") and Jay Weil, as collateral agent ("Collateral Agent") for the secured parties ("the Secured Parties") pursuant to that certain Collateral Agent Agreement, dated of even date herewith, among Pledgor, Collateral Agent and the Secured Parties (the "Collateral Agent Agreement").

BACKGROUND

A. Pursuant to that certain Note and Warrant Purchase Agreement, dated of even date herewith, between the Company and the purchasers set forth on Schedule I thereto (the "Purchase Agreement"), the Pledgor is selling, and the Secured Parties are purchasing, Secured Promissory Notes Due December 2009 in the aggregate principal amount not to exceed $3,500,000 (the "Notes").

B. In order to secure the timely payment and performance of the Notes, the Pledgor desires to grant the Secured Parties a first-in-priority, perfected and continuing security interest in the shares of common stock (the "Shares") the Pledgor owns in Lumificient Corporation, a Minnesota corporation and a wholly-owned subsidiary of the Pledgor ("Lumificient").

C. The continuing Security Interest in the Shares shall be evidenced by this Agreement. Capitalized terms used, but not defined, in this Agreement have the meanings set forth in the Purchase Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Recitals and Defined Terms. The parties hereto acknowledge that the aforementioned recitals are true and correct and agree that such recitals, together with the definitions set forth therein and in the preamble to this Agreement, are hereby incorporated into this Agreement by this reference.

2. Additional Shares. All references to the Shares shall be appropriately adjusted to reflect any stock split, distribution, recapitalization or other similar arrangement affecting the Shares after the date of this Agreement. In the event that the Pledgor receives, or becomes entitled to, any property (whether real or personal, tangible or intangible) in connection with or related to the Shares in any way, then any such property shall be considered Shares under this Agreement.

3. Creation of Security Interest. Pledgor hereby affirms, acknowledges, ratifies, grants and assigns in favor of the Secured Parties a first, prior and sole lien and security interest (the "Security Interest") in the Shares and in all accessions, substitutions, replacements and proceeds thereof, including without limitation, whether by law, merger or exchange, to secure

the Obligations (as defined below). Pledgor hereby warrants and represents to the Secured Parties that the Shares are owned by the Pledgor free and clear of any liens, charges or encumbrances other than those imposed by securities laws and this Agreement.

For purposes of this Agreement the term "Obligations" shall mean: (a) all indebtedness, liabilities and obligations of Pledgor to the Secured Parties under the Notes, and any note or notes hereafter issued in substitution or replacement thereof, (b) all obligations of the Pledgor under this Agreement and (c) in the foregoing cases whether due or to become due, and whether now existing or hereafter arising or incurred.

4. Perfection of Security Interest. The Security Interest in the Shares shall be perfected by the Collateral Agent taking possession of the certificates representing the Shares. The Collateral Agent shall hold such securities on behalf of the Secured Parties.

5. Proxy. Pledgor hereby irrevocably constitutes and appoints the Collateral Agent, whether or not the Shares have been transferred into the name of the Secured Parties, as the Pledgor's proxy, with full power to (a) attend meetings concerning the Shares held after the date of this Agreement and, to vote the Shares at those meetings in such manner as the Collateral Agent shall, in his sole and absolute discretion, deem appropriate, (b) consent, in the sole and absolute discretion of the Collateral Agent, to any action by or concerning Pledgor for which consent of the stockholders of Lumificient is or may be necessary or appropriate, and (c) do all things that Pledgor could do as a securities holder of Lumificient, giving and granting unto the Collateral Agent full power of substitution and revocation. Notwithstanding the provisions contained in the preceding sentence (hereinafter referred to as the "Proxy Rights"), neither the Collateral Agent nor the Secured Parties, or any of them, shall have the right to perform, exercise, take or assert any of the Proxy Rights unless and until there shall have occurred an Event of Default (as that term is defined below). Except upon the occurrence and during the continuation of an Event of Default, Pledgor shall be entitled to exercise any and all voting and/or consensual rights and powers accruing to an owner of the Shares or any part thereof for any purpose. Pledgor hereby revokes all proxies heretofore given and agrees not to grant any proxy to any person or persons with respect to the Shares other than as granted herein for so long as this Agreement is in force.

6. Ordinary Care by the Secured Parties. The Secured Parties and/or the Collateral Agent shall use ordinary care in the custody and preservation of the Shares in their possession.

7. Event of Default. An event of default shall occur upon the happening of any of the following (each, an "Event of Default"):

(a) Default by Pledgor in the performance of any of the obligations contained herein after receipt by Pledgor of notice in writing of such default (including, a brief description of the nature of the default) and failure by Pledgor to cure such default within thirty days after the receipt of such notice;

(b) An Event of Default under the Notes; or

(c) The transfer or encumbrance, by any means, of any interest in the Shares other than in favor of the Secured Parties.

8. Remedies. Upon the occurrence and during the continuation of an Event of Default, the Secured Parties may, at their option, without notice to or demand upon the Pledgor,

take the Shares in the Secured Parties' own names, on a pro rata or any other basis agreed to by the Secured Parties, and dispose of that portion of the Shares as may be necessary to satisfy the Pledgor's Obligations agreed to by the Secured Parties, including, without limitation, the outstanding principal amount of the Notes and all accrued interest thereon (as provided in the Notes). In addition to the rights and remedies provided for herein, or otherwise available to the Secured Parties, the Secured Parties (and the Collateral Agent acting on their behalf) shall have all the rights and remedies of a secured party under the Uniform Commercial Code ("UCC") in effect in the State of Delaware at the time, including the right to sell the Shares at public or private sale as provided by and in accordance with the UCC.

9. Covenants of Pledgor. During the term of this Agreement:

(a) Pledgor shall not sell, assign, transfer, hypothecate, or otherwise dispose of the Shares, or any interest therein, encumber the Shares or any interest therein, or contract to do any of the foregoing; and

(b) Pledgor shall not take any action with respect to the Shares that is inconsistent with the provisions or purpose of this Agreement or that would adversely affect the rights of Secured Parties or the Collateral Agent under this Agreement.

10. Collateral Agent. The rights of the Secured Parties in the Shares will be exercisable by Collateral Agent as agent for Secured Parties pursuant to the Purchase Agreement. In such capacity, from time to time and at any time, Collateral Agent may in his sole discretion take any and all actions, exercise any and all rights and remedies, give any and all waivers and forbearances, and make any and all determinations and elections that the Secured Parties are entitled to exercise under this Agreement and the Notes. Pledgor will be entitled to rely solely on the actions of Collateral Agent as binding all Secured Parties.

11. Termination of this Security Interest and Agreement. This Agreement and the Security Interest created hereby shall terminate immediately on the satisfaction of all of the Company's Obligations and the Collateral Agent shall immediately thereafter return to the Pledgor all certificates, and related stock powers, with respect to the Shares directly or indirectly in his possession or control.

12. Miscellaneous Provisions.

(a) Interpretation. This Agreement will be interpreted in accordance with, and subject to the provisions of, the Purchase Agreement applicable to all Transaction Documents. Without limiting the foregoing, this Agreement is governed by Delaware law.

(b) Effect of Invalidity of Particular Provisions. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

(c) Cumulative Rights, Powers and Remedies. The rights, powers and remedies given to the Secured Parties by this Agreement shall be in addition to all rights, powers and remedies given the Secured Parties by virtue of any statute or rule of law.

(d) Waiver. Any forbearance, failure, or delay by the Secured Parties in exercising any right, power or remedy under this Agreement shall not be deemed to be a

waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy, under this Agreement shall not preclude the further exercise thereof; and every right, power and remedy of the Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Collateral Agent.

(e) Binding Effect. All of the terms, covenants, warranties and representations contained herein shall be binding upon the parties, their heirs, successors and assigns.

(f) Entire Agreement. This Agreement, the Notes, the Purchase Agreement and the other Transaction Documents entered into by and between the parties hereto and thereto constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and supersede all agreements, representations, warranties, statements, promises and understandings not specifically set forth herein or therein. No party hereto has in any way relied, nor shall in any way rely, upon any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth herein.

(g) Amendments. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Pledgor and the Collateral Agent.

(h) Headings. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Further Assurances. The parties hereto agree that they shall sign such additional and supplemental documents to implement the transactions contemplated pursuant to this Agreement when requested to do so by any party to this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Agreement.

13. Representations, Warranties and Covenants of Pledgor. The Pledgor represents, warrants and covenants to the Secured Parties as follows:

(a) Pledgor is the record and beneficial owner of, and has good and marketable title to, the Shares pledged hereunder, free of any and all liens, charges, encumbrances and security interests of every kind and nature (other than the lien created by this Agreement);

(b) Pledgor has good right and legal authority to pledge the Shares owned by it in the manner hereby done or contemplated;

(c) No authorization, approval, or other action by, and no notice to or filing with, any third party, governmental authority or regulatory body is required for the validity of the pledge by Pledgor of the Shares pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor;

(d) This Agreement constitutes the legal, valid and binding obligation of Pledgor and the pledge effected hereby is effective to vest in the Secured Parties their rights in the Shares as set forth herein.

All representations, warranties and covenants made by Pledgor contained in this Agreement shall survive the execution, delivery and performance of this Agreement until the termination of this Agreement.

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

NEXXUS LIGHTING, INC.

By: /s/ John C. Oakley
Name: John C. Oakley
Title: Chief Financial Officer

COLLATERAL AGENT:

/s/ Jay Weil
Name: Jay Weil

Exhibit 10.6

LIMITED LIABILITY COMPANY EQUITY INTEREST PLEDGE AND SECURITY AGREEMENT

THIS LIMITED LIABILITY COMPANY EQUITY INTEREST PLEDGE AND SECURITY AGREEMENT (the "Agreement") is made and entered into effective as of the 26th day of June, 2008, by and between Nexxus Lighting, Inc., a Delaware corporation (the "Pledgor") and Jay Weil, as collateral agent ("Collateral Agent") for the secured parties ("the Secured Parties") pursuant to that certain Collateral Agent Agreement, dated of even date herewith, among Pledgor, Collateral Agent and the Secured Parties (the "Collateral Agent Agreement").

BACKGROUND

A. Pursuant to that certain Note and Warrant Purchase Agreement, dated of even date herewith, between the Company and the purchasers set forth on Schedule I thereto (the "Purchase Agreement"), the Pledgor is selling, and the Secured Parties are purchasing, Secured Promissory Notes Due December 2009 in the aggregate principal amount not to exceed $3,500,000 (the "Notes").

B. In order to secure the timely payment and performance of the Notes, the Pledgor desires to grant the Secured Parties a first-in-priority, perfected and continuing security interest in 100% of the equity interests (the "Interests") of Advanced Lighting Systems, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Pledgor ("ALS").

C. The continuing security interest in the Interests shall be evidenced by this Agreement. Capitalized terms used, but not defined, in this Agreement have the meanings set forth in the Purchase Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Recitals and Defined Terms. The parties hereto acknowledge that the aforementioned recitals are true and correct and agree that such recitals, together with the definitions set forth therein and in the preamble to this Agreement, are hereby incorporated into this Agreement by this reference.

2. Additional Interests. All references to the Interests shall be appropriately adjusted to reflect any split, distribution, recapitalization or other similar arrangement affecting the Interests after the date of this Agreement. In the event that the Pledgor receives, or becomes entitled to, any property (whether real or personal, tangible or intangible) in connection with or related to the Interests in any way, then any such property shall be considered Interests under this Agreement.

3. Creation of Security Interest. Pledgor hereby affirms, acknowledges, ratifies, grants and assigns in favor of the Secured Parties a first, prior and sole lien and security interest (the "Security Interest") in the Interests and in all accessions, substitutions, replacements and proceeds thereof, including without limitation, whether by law, merger or exchange, to secure

the Obligations (as defined below). Pledgor hereby warrants and represents to the Secured Parties that the Interests are owned by the Pledgor free and clear of any liens, charges or encumbrances other than those imposed by securities laws and this Agreement. The equity interest of the Pledgor comprising the Interests is 100% of the entire equity ownership of ALS, which is owned of record and beneficially by Pledgor. Such ownership interest is uncertificated. Upon execution of this Agreement, Pledgor shall deliver a copy of ALS' operating agreement to the Collateral Agent.

For purposes of this Agreement the term "Obligations" shall mean: (a) all indebtedness, liabilities and obligations of Pledgor to the Secured Parties under the Notes, and any note or notes hereafter issued in substitution or replacement thereof, (b) all obligations of the Pledgor under this Agreement and (c) in the foregoing cases whether due or to become due, and whether now existing or hereafter arising or incurred.

4. Delivery. Simultaneously with execution hereof, Pledgor shall execute and deliver to the Collateral Agent a UCC-1 Financing Statement(s) for filing in the State of Delaware evidencing the first security interest granted by Pledgor to the Secured Parties in the Interests. The Pledgor agrees that, at any time and from time to time, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that the Collateral Agent may reasonably request, in order to perfect and protect any security interest granted hereby or to enable the Secured Parties or the Collateral Agent to exercise and enforce their rights and remedies hereunder with respect to the Interest.

5. Proxy. Pledgor hereby irrevocably constitutes and appoints the Collateral Agent, whether or not the Interests have been transferred into the name of the Secured Parties, as the Pledgor's proxy, with full power to (a) attend meetings concerning the Interests held after the date of this Agreement and, to vote the Interests at those meetings in such manner as the Collateral Agent shall, in his sole and absolute discretion, deem appropriate, (b) consent, in the sole and absolute discretion of the Collateral Agent, to any action by or concerning Pledgor for which consent of the members of ALS is or may be necessary or appropriate, and (c) do all things that Pledgor could do as a securities holder of ALS, giving and granting unto the Collateral Agent full power of substitution and revocation. Notwithstanding the provisions contained in the preceding sentence (hereinafter referred to as the "Proxy Rights"), neither the Collateral Agent nor the Secured Parties, or any of them, shall have the right to perform, exercise, take or assert any of the Proxy Rights unless and until there shall have occurred an Event of Default (as that term is defined below). Except upon the occurrence and during the continuation of an Event of Default, Pledgor shall be entitled to exercise any and all voting and/or consensual rights and powers accruing to an owner of the Interests or any part thereof for any purpose. Pledgor hereby revokes all proxies heretofore given and agrees not to grant any proxy to any person or persons with respect to the Interests other than as granted herein for so long as this Agreement is in force.

6. Ordinary Care by the Secured Parties. The Secured Parties and/or the Collateral Agent shall use ordinary care in the custody and preservation of the Interests in their possession.

7. Event of Default. An event of default shall occur upon the happening of any of the following (each, an "Event of Default"):

(a) Default by Pledgor in the performance of any of the Obligations after receipt by Pledgor of notice in writing of such default (including, a brief description of the nature of the default) and failure by Pledgor to cure such default within thirty days after the receipt of such notice;

(b) An Event of Default under the Notes; or

(c) The transfer or encumbrance, by any means, of any interest in the Interests other than in favor of the Secured Parties.

8. Remedies. Upon the occurrence and during the continuation of an Event of Default, the Secured Parties may, at their option, without notice to or demand upon the Pledgor, take the Interests in the Secured Parties' own names, on a pro rata or any other basis agreed to by the Secured Parties, and dispose of that portion of the Interests as may be necessary to satisfy the Pledgor's Obligations, including, without limitation, the outstanding principal amount of the Notes and all accrued interest thereon (as provided in the Notes). In addition to the rights and remedies provided for herein, or otherwise available to the Secured Parties, the Secured Parties (and the Collateral Agent acting on their behalf) shall have all the rights and remedies of a secured party under the Uniform Commercial Code ("UCC") in effect in the State of Delaware at the time, including the right to sell the Interests at public or private sale as provided by and in accordance with the UCC.

9. Covenants of Pledgor. During the term of this Agreement:

(a) Pledgor shall not sell, assign, transfer, hypothecate, or otherwise dispose of the Interests, or any interest therein, encumber the Interests or any interest therein, or contract to do any of the foregoing; and

(b) Pledgor shall not take any action with respect to the Interests that is inconsistent with the provisions or purpose of this Agreement or that would adversely affect the rights of Secured Parties or the Collateral Agent under this Agreement.

10. Collateral Agent. The rights of the Secured Parties in the Interests will be exercisable by Collateral Agent as agent for Secured Parties pursuant to the Purchase Agreement. In such capacity, from time to time and at any time, Collateral Agent may in his sole discretion take any and all actions, exercise any and all rights and remedies, give any and all waivers and forbearances, and make any and all determinations and elections that the Secured Parties are entitled to exercise under this Agreement and the Notes. Pledgor will be entitled to rely solely on the actions of Collateral Agent as binding all Secured Parties.

11. Termination of this Security Interest and Agreement. This Agreement and the Security Interest created hereby shall terminate immediately on the satisfaction of all of the Company's Obligations and the Collateral Agent shall immediately thereafter return to the Pledgor all certificates (if any), and related powers, with respect to the Interests directly or indirectly in his possession or control and file a UCC termination statement with respect to the Security Interest in the Interests.

12. Miscellaneous Provisions.

(a) Interpretation. This Agreement will be interpreted in accordance with, and subject to the provisions of, the Purchase Agreement applicable to all Transaction Documents. Without limiting the foregoing, this Agreement is governed by Delaware law.

(b) Effect of Invalidity of Particular Provisions. The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

(c) Cumulative Rights, Powers and Remedies. The rights, powers and remedies given to the Secured Parties by this Agreement shall be in addition to all rights, powers and remedies given the Secured Parties by virtue of any statute or rule of law.

(d) Waiver. Any forbearance, failure, or delay by the Secured Parties in exercising any right, power or remedy under this Agreement shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy, under this Agreement shall not preclude the further exercise thereof; and every right, power and remedy of the Secured Parties shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Collateral Agent.

(e) Binding Effect. All of the terms, covenants, warranties and representations contained herein shall be binding upon the parties, their heirs, successors and assigns.

(f) Entire Agreement. This Agreement, the Notes, the Purchase Agreement and the other Transaction Documents entered into by and between the parties hereto and thereto constitute the entire agreement between the parties with respect to the subject matter of this Agreement, and supersede all agreements, representations, warranties, statements, promises and understandings not specifically set forth herein or therein. No party hereto has in any way relied, nor shall in any way rely, upon any oral or written agreements, representations, warranties, statements, promises or understandings not specifically set forth herein.

(g) Amendments. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Pledgor and the Collateral Agent.

(h) Headings. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Further Assurances. The parties hereto agree that they shall sign such additional and supplemental documents to implement the transactions contemplated pursuant to this Agreement when requested to do so by any party to this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same Agreement.

13. Representations, Warranties and Covenants of Pledgor. The Pledgor represents, warrants and covenants to the Secured Parties as follows:

(a) Pledgor is the record and beneficial owner of, and has good and marketable title to, the Interests pledged hereunder, free of any and all liens, charges, encumbrances and security interests of every kind and nature (other than the lien created by this Agreement);

(b) Pledgor has good right and legal authority to pledge the Interests owned by it in the manner hereby done or contemplated;

(c) No authorization, approval, or other action by, and no notice to or filing with, any third party, governmental authority or regulatory body is required for the validity of the pledge by Pledgor of the Interests pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor;

(d) This Agreement constitutes the legal, valid and binding obligation of Pledgor and the pledge effected hereby is effective to vest in the Secured Parties their rights in the Interests as set forth herein.

All representations, warranties and covenants made by Pledgor contained in this Agreement shall survive the execution, delivery and performance of this Agreement until the termination of this Agreement.

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

NEXXUS LIGHTING, INC.

By: /s/ John C. Oakley
Name: John C. Oakley
Title: Chief Financial Officer

COLLATERAL AGENT:

/s/ Jay Weil
Name: Jay Weil

Exhibit 10.7

COLLATERAL AGENT AGREEMENT

dated as of June 26, 2008

by and among

Nexxus Lighting, Inc.

Jay Weil, as Collateral Agent

and

the Noteholders from time to time hereunder

COLLATERAL AGENT AGREEMENT

This COLLATERAL AGENT AGREEMENT, dated as of June 26, 2008 (this "Agreement"), is entered into by and among Nexxus Lighting, Inc., a Delaware corporation (the "Company"), Jay Weil, as collateral agent (the "Agent") and undersigned holders of the Company's Secured Promissory Notes Due December 2009 (the "Transaction Notes") (each such holder individually, a "Noteholder" and all such holders together with permitted assignees thereof, collectively, the "Noteholders").

WHEREAS:

A. Capitalized terms used, but not defined, in this Agreement have the meanings set forth in the Note and Warrant Purchase Agreement, dated as of June 26, 2008 between the Company and the original Noteholders (the "Securities Purchase Agreement");

B. The Company wishes to sell the Transaction Notes to the Noteholders and the Noteholders wish to purchase such Transaction Notes from the Company on the terms and conditions set forth in the Securities Purchase Agreement and the other applicable Transaction Documents;

C. Each Transaction Note will be secured by a perfected security interest in the collateral described in the Security Agreement; and

D. Each of the Noteholders desires to appoint, and the Company desires to consent to the appointment of, the Collateral Agent to act in such capacity for the benefit of the Noteholders;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. APPOINTMENT

(a) Each Noteholder hereby (i) appoints the Agent as the collateral agent hereunder (the "Collateral Agent") and (ii) authorizes the Collateral Agent in such capacity to take any and all such actions on its behalf with respect to the Collateral and the obligations of the Company as set out in the Transaction Documents.

(b) The Collateral Agent shall not have, by reason of this Agreement, or any Transaction Document, a fiduciary relationship in respect of any Noteholder.

(c) The Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the Transaction Documents or otherwise exist against the Collateral Agent.

(d) The duties of the Collateral Agent shall be mechanical and administrative in nature.

(e) As to (i) any matters not expressly provided for by this Agreement, and the Transaction Documents (including, without limitation, enforcement of any security interests) and (ii) any amendments, consents or waivers of any Transaction Document, the Collateral Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Noteholders. For purposes of this Agreement, the term "Required Noteholders" means at any time the holders of Notes having an aggregate outstanding principal amount of 50.1% or more of all Notes issued pursuant to the Securities Purchase Agreement which are then outstanding. The instructions given by Required Noteholders shall be binding upon all Noteholders.

(f) Nothing in this Agreement or any Transaction Document, express or implied, is intended to or shall be construed to impose upon the Collateral Agent any obligations in respect of this Agreement or any Transaction Document, except as expressly set forth herein or in the Transaction Notes and the Security Documents. Nothing in this Agreement or any Transaction Document, express or implied, is intended to or shall be construed to impose upon the Collateral Agent any obligations in respect of the Warrants or Additional Warrants.

2. COLLATERAL

(a) Each Noteholder hereby acknowledges and agrees that if an "Event of Default" shall have occurred under the Security Agreement and the Collateral Agent exercises any remedy which transfers possession of any of the Collateral (as that term is defined in the Security Agreement) to the Secured Parties (as that term is defined in the Security Agreement), the Collateral shall be held by the Collateral Agent for the benefit of the Noteholders for application to the Obligations in accordance with this Agreement and the Security Agreement and related security documents (collectively, the "Security Documents").

(b) Any Collateral or proceeds thereof received by a Noteholder in connection with the exercise of any right or remedy (including set-off) by the Collateral Agent or any such Person relating to the Collateral, other than in accordance with the terms of this Agreement, shall be segregated and held in trust and forthwith paid over to the Collateral Agent for the benefit of all Noteholders in the same form as received.

(c) The Collateral Agent and the Company hereby agree that, at any time and from time to time, at its sole cost and expense, it shall promptly execute and deliver all further agreements, instruments, documents and certificates and take all further action that may be necessary in order to fully effect the purposes of this Agreement and to enable the Collateral Agent to exercise and enforce its rights and remedies under the Note and Security Documents with respect to the Collateral or any part thereof.

3. REMEDIES, RELEASES

(a) The Collateral Agent, at the direction of the Required Noteholders, shall have the right to enforce rights, exercise remedies (including set-off) and make determinations regarding the release, disposition, or restrictions with respect to the Collateral. In exercising rights and remedies with respect to the Collateral, the Collateral Agent, at the direction of the Required Noteholders, may enforce the provisions of the Note and Security Documents and exercise remedies thereunder, all in such order and in such manner as it may determine in the exercise of its sole discretion. Such exercise and enforcement shall include the rights of the Collateral Agent to sell or otherwise dispose of Collateral upon foreclosure, to incur reasonable expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the Note and Security Documents, bankruptcy or similar laws providing for the relief of debtors or affecting the rights of creditors generally, and the laws relating to the perfection or priority of a secured interest of any applicable jurisdiction; provided, that unless and until the Collateral Agent shall have received such direction, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, in order to preserve or protect its liens on and the value of the Collateral, with respect to any Event of Default (as defined in the Security Agreement) as it shall deem advisable in the best interests of the Noteholders.

(b) If (i) in connection with the exercise of any of the Noteholders' remedies under this Agreement (subject to Section 3(a) hereof), the Collateral Agent disposes of any part of the Collateral or (ii) in connection with any conveyance, sale, lease, transfer or other disposition permitted under the Note and Security (such action, a "Permitted Disposition"), any part of the Collateral is conveyed, sold, leased, transferred or otherwise disposed of, then in either such case (i) or (ii), the liens, if any, of the Collateral Agent for the benefit of any of the Noteholders on such Collateral shall be automatically, unconditionally and simultaneously released. The Collateral Agent (on behalf of the Noteholders) shall promptly execute and deliver such termination statements, releases and other documents reasonably required or requested to effectively confirm such release. The Noteholders hereby (x) authorize and direct the Collateral Agent to execute such documents and take such other actions as are necessary to carry out the foregoing and (y) expressly agree that no additional consent from Noteholders is required in connection with any Permitted Disposition, so long as the Company certifies in an officer's certificate that such action is permitted under the Note and Security Documents.

4. CERTAIN ACTIONS

(a) Notices from the Noteholders to the Collateral Agent. Each of the Noteholders hereby agrees to give the Collateral Agent and each other Noteholder prompt written notice of the occurrence of (i) any Event of Default under such Person's Transaction Note or any Security Documents of which such Person has written notice and (ii) acceleration of the maturity of the Company's obligations under such Person's Transaction Note or the Security Documents wherein such obligations have been declared to be or have automatically become due and payable earlier than the scheduled maturity thereof or termination date thereunder (or similar remedial actions including demands for cash) have been taken and setting forth the aggregate amount of obligations that have been so accelerated, in each case as soon as practicable after the occurrence thereof (and, in any

event, within five (5) Business Days after the occurrence thereof); provided, however, that the failure to provide such notice shall not limit or impair the rights of the Noteholders or the obligations of the Company hereunder or under the Transaction Note or any Security Documents.

(b) Notices from the Collateral Agent to the Noteholders. The Collateral Agent hereby agrees to give each Noteholder written notice of an Event of Default promptly following its receipt of written notice thereof. The Collateral Agent shall not be deemed to have actual knowledge or notice of the occurrence of any Event of Default under any Note or Security Document unless the Collateral Agent has received written notice from an authorized officer of a Noteholder or the Company referring to this Agreement and the applicable Note or Security Document describing such Event of Default and stating that such notice is a "Notice of Event of Default."

(c) Location of Collateral. The Company hereby agrees not to effect any change (i) in the Company's legal name, (ii) in the location of its chief executive office, (iii) in the Federal Taxpayer Identification Number or organizational identification number, if any, of any of the Company or (iv) in the Company's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), without giving the Collateral Agent not less than thirty (30) days' prior written notice, or such lesser notice period agreed to by the Collateral Agent, of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent may reasonably request. The Company further agrees to provide the Collateral Agent with certified organizational documents reflecting any of the changes described in this clause (c) promptly following such change; and to provide the Collateral Agent with notice of any change in the location of any office in which the Company maintains books or records relating to Collateral owned by it or any office or facility at which Collateral is located (including the establishment of any such new office or facility).

(d) Delegation of Duties. The Collateral Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of one counsel of its choice concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact selected by it with reasonable care.

5. COORDINATION OF ACTION

(a) It is the objective of the Noteholders to coordinate their approach to the taking of all action under the Notes and Security Documents. In furtherance of such objective, any Noteholder proposing to give any waiver or consent under, or approve any amendment, modification or supplement to, any Note or Security Document (or authorize or direct any other person to do so), to accelerate the obligations owed to it or to take, authorize or direct any enforcement action with respect thereto shall comply with the terms of this Section 5 before taking any such action.

(b) Unless otherwise expressly provided herein, neither the Collateral Agent shall take and no other Noteholder shall authorize or direct any of such persons to take, any action under any Security Document which requires direction, authorization or consent of the Noteholders (including the exercise of remedies hereunder or thereunder) unless the direction, authorization, or consent of the Required Noteholders is given with respect to such direction, authorization or consent. No Noteholder shall have any right, to take any action with respect to the Collateral independently of the Collateral Agent (other than to direct the Collateral Agent to take action in compliance with this Agreement).

6. EXCULPATORY PROVISIONS

(a) Neither the Collateral Agent nor any of its employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any Noteholder for any recitals, statements, representations or warranties made by the Company or any officer thereof, contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of the Company or any other party thereto to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to any Noteholder to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Company or any other person.

(b) The Collateral Agent shall have no obligation to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(c) Beyond the exercise of reasonable care in the custody thereof and as otherwise specifically set forth herein, the Collateral Agent shall have no duty as to any of the Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Collateral Agent shall not be responsible for filing any financing statements or continuation statements or recording any documents or instruments with any governmental authority at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral. The Collateral Agent shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith.

(d) The Collateral Agent shall not be responsible (i) for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the liens on any of the Collateral, whether impaired by operation of law or by reason of any of any action or omission to act on its part hereunder, except to the extent

such action or omission constitutes gross negligence or willful misconduct on the part of the Collateral Agent, (ii) for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, (iii) for the validity of the title of the Company to the Collateral, (iv) for insuring the Collateral or (v) for the payment of taxes, charges, assessments or liens upon the Collateral or (vi) otherwise as to the maintenance of the Collateral.

7. A. RELIANCE BY COLLATERAL AGENT

(a) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such legal advice or the concurrence by the consent of the Required Noteholders as it deems appropriate or it shall first be indemnified or receive security to its satisfaction by the Noteholders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The rights, privileges, protections and benefits given to the Collateral Agent including its rights to be indemnified, are extended to, and shall be enforceable by the Collateral Agent and to each agent, custodian and other persons employed by the Collateral Agent in accordance herewith to act hereunder.

(b) If the Company seeks the consent or approval of the Required Noteholders to the taking or refraining from taking any action hereunder, the Company shall send notice thereof to each Noteholder. Any such consents shall be solicited and tabulated by the Company, or a solicitation and/or tabulation agent engaged by the Company, and the Company shall provide the Collateral Agent with copies of any such written consent(s). The Collateral Agent will be entitled to, and is hereby instructed to, rely upon the tabulation so provided, subject to the Collateral Agent's right to receive all such consents and to satisfy itself as to the authenticity thereof and the Collateral Agent's right (but not its obligation) to receive information regarding any other matters that the Collateral Agent, in its sole discretion deems necessary or advisable with respect to the relevant action.

(c) The Collateral Agent shall notify each Noteholder and the Company promptly any time that the Required Noteholders have instructed the Collateral Agent to act or refrain from acting pursuant hereto. The Company or the Collateral Agent may at any time request instructions from the Noteholders in respect of any actions or approvals which by the terms of this Agreement, the Notes or any Security Documents the Collateral Agent is permitted or required to take or to grant, and if such instructions are promptly requested, the Collateral Agent shall be absolutely entitled to refrain from taking any such action or to withhold any such approval until it shall have received such instructions from the Required Noteholders. Without limiting the foregoing, no Noteholder shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent

acting or refraining from acting under this Agreement, the Notes or any Security Documents in accordance with the instructions of the Required Noteholders unless consent of a greater number of Noteholders is required by the terms of the Transaction Notes.

B. RELIANCE BY COMPANY

Until the Company has received notice of the termination of this Agreement or the appointment of a successor Collateral Agent pursuant to the terms contained herein, the Company may act in reliance upon the authority granted to the Collateral Agent in this Agreement. The Company may, but need not, require the Collateral Agent to execute an affidavit stating that there has been no revocation or suspension of its authority at any time and from time to time.

8. NON-RELIANCE ON COLLATERAL AGENT

Each of the Noteholders expressly acknowledges that neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereinafter taken, including any review of the affairs of the Company or any of its affiliates, shall be deemed to constitute any representation or warranty by the Collateral Agent to any such person. Each of the Noteholders represents to the Collateral Agent that it has, independently and without reliance upon the Collateral Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and its affiliates, and made its own decision to extend credit to the Company and to enter into the Transaction Documents to which it is a party. Each of the Noteholders also represents that it will, independently and without reliance upon the Collateral Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analyses, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as its deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company and its affiliates. Except for notices, reports and other documents expressly required to be furnished to the Noteholders by the Collateral Agent hereunder, the Collateral Agent shall not have any duty or responsibility to provide any Noteholder with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company or its affiliates that may come into the possession of the Collateral Agent or any of its employees, agents, attorneys-in-fact or affiliates.

9. SUCCESSOR COLLATERAL AGENT

The Collateral Agent may resign from the performance of all its functions and duties hereunder at any time by giving at least fifteen (15) Business Days' prior written notice to the Company and each holder of the Transaction Notes. Such resignation shall take effect upon the acceptance by a successor Collateral Agent of appointment as provided below. Upon any such notice of resignation, the Required Noteholders shall appoint a successor Collateral Agent. Upon the acceptance of the appointment as Collateral Agent,

such successor Collateral Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any Collateral Agent's resignation hereunder, the provisions of this Section 9 shall inure to its benefit. If a successor Collateral Agent shall not have been so appointed within said fifteen (15) Business Day period, the retiring Collateral Agent shall then appoint a successor Collateral Agent who shall serve until such time, if any, as the Required Noteholders appoint a successor Collateral Agent as provided above.

10. SECURITY DOCUMENTS

Each Noteholder hereby irrevocably appoints and authorizes the Collateral Agent to execute and deliver the Security Documents (on substantially the terms set forth in the forms of such documents attached as exhibits to the Securities Purchase Agreement) for and on behalf of such Noteholder and to perform all of the obligations and duties of collateral agent provided for therein, and each Noteholder shall be bound by the terms thereof as if such Noteholder were an original signatory thereto.

11. INDEMNIFICATION

(a) Neither the Collateral Agent nor any of its employees, agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "CA Indemnitees") shall have any liability to the Company or any Noteholder for any action taken or omitted to be taken by it in connection herewith except to the extent caused by its own gross negligence or willful misconduct.

(b) The Noteholders, ratably according to the respective principal amounts of Transaction Notes then held by each such Noteholder, shall defend, protect, indemnify and hold harmless the CA Indemnitees (to the extent not reimbursed by the Company) to the fullest extent lawful, from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities, damages and expenses (including reasonable attorneys' fees and disbursements), amounts paid out in settlement and other costs (irrespective of whether any such CA Indemnitee is a party to the action for which indemnification hereunder is sought) (the "Indemnified Liabilities") incurred by any CA Indemnitee as a result of, or arising out of, or relating to any cause of action, suit or claim brought or made against such CA Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company) and arising out of or resulting from (i) the execution, delivery, performance or enforcement of this Agreement, any Note or Security Document, or any other certificate, instrument or document contemplated hereby or thereby, or (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Transaction Notes. To the extent that the foregoing undertaking may be unenforceable for any reason, the Noteholders, ratably according to the respective principal amounts of Transaction Notes then held by each such Noteholder, shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law; provided, that the Noteholders shall not be obligated to indemnify the Collateral Agent for any Indemnified Liabilities caused by the gross negligence or willful misconduct of the Collateral Agent.

(c) Promptly after receipt by a CA Indemnitee under this Section 11 of notice of the commencement of any action, investigation or proceeding (including any governmental action, investigation or proceeding) involving an Indemnified Liability, such CA Indemnitee shall, if a claim in respect thereof is to be made against any indemnifying party under this Section 11, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the CA Indemnitee, as the case may be; provided, however, that a CA Indemnitee shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for such CA Indemnitee to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the CA Indemnitee and the indemnifying party would be inappropriate due to actual or potential differing interests between such CA Indemnitee and any other party represented by such counsel in such proceeding. In the case of a CA Indemnitee, legal counsel referred to in the immediately preceding sentence shall be selected by Required Noteholders, to which the claim relates. The CA Indemnitee shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the CA Indemnitee which relates to such action or claim. The indemnifying party shall keep the CA Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations in respect thereof. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent. No indemnifying party shall, without the prior written consent of the CA Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such CA Indemnitee of a release from all liability in respect to such claim or litigation, and such settlement shall not include any admission as to fault on the part of the CA Indemnitee. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the CA Indemnitee in respect of all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the CA Indemnitee under this Section 11, except to the extent that the indemnifying party is materially prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 11 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Liabilities are incurred. All amounts due under this Section 11 shall be payable not later than ten (10) days after written demand therefor.

(e) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the CA Indemnitee against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

(f) To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 11 may be unenforceable in whole or in part because they are violative of any Law or public policy, the Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred pursuant to Section 11 by any CA Indemnitee.

(g) This Section 11 shall survive termination of this Collateral Agency Agreement.

12. COMPENSATION AND EXPENSES

The Company agrees to pay to the Collateral Agent (a) the Collateral Agent's fees as set forth on Appendix A hereto, and (b) subject to Appendix A hereto, the amount of any and all of the Collateral Agent's reasonable and reasonably documented out-of-pocket expenses, including the reasonable and documented fees and expenses of one U.S. counsel (and one local counsel) and of any accountants, experts or agents, which the Collateral Agent may incur in connection with (i) the administration of this Collateral Agency Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement (whether through negotiations, legal proceedings or otherwise) of any of the rights of the Collateral Agent under this Collateral Agency Agreement.

13. OBLIGATIONS UNCONDITIONAL

All rights, interests, agreements and obligations of the Collateral Agent hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Note or Security Document;

(b) except as otherwise expressly set forth in this Collateral Agency Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any Transaction Document;

(c) except as otherwise expressly set forth in this Agreement, any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the Obligations or any guaranty thereof;

(d) the commencement of any insolvency proceeding in respect of the Company or any of its subsidiaries; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of the Company in respect of the Collateral Agent.

14. MISCELLANEOUS

(a) Effectiveness; Continuing Nature of this Agreement. This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement shall remain in full force and effect until all of the secured obligations of the Company under the Notes and Security Documents have been paid in full in cash.

(b) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(c) Entire Agreement. This Agreement (including exhibits, schedules and annexes hereto) constitutes the entire agreement and supersedes all other prior oral or written agreements between the Noteholders, the Company, their affiliates and persons acting on their behalf in respect of the matters discussed herein, and this Agreement, the Note Transaction Documents and the instruments referenced herein contain the entire understanding of the parties in respect of the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Noteholder makes any representation, warranty, covenant or undertaking in respect of such matters.

(d) Amendments; Waivers. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Required Noteholders, and any amendment to this Collateral Agency Agreement made in conformity with the provision of this Section 14(d) shall be binding on all Noteholders. Except as set forth in the preceding sentences, no provision hereof may be waived other than by an instrument in writing signed by the party against whom enforcement is sought.

(e) Information Concerning Financial Condition. Each Noteholder shall be responsible for keeping itself informed of (i) the financial condition of the Company and its Affiliates and all endorsers and/or guarantors of the obligations and (ii) all other circumstances bearing upon the risk of nonpayment of the obligations.

(f) Governing Law; Jurisdiction; Jury Trial. This Collateral Agency Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each party hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the state and federal courts located in the State of New York 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 suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an

inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by Law. The Company hereby appoints Jay Weil, 600 Madison Avenue 14th Floor, New York, New York 10022, as its agent for service of process in New York. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(g) Remedies. Each Noteholder shall have all rights and remedies set forth in this Agreement, the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such Noteholders have under any law. Any person having any rights under any provision of this Agreement or the Note Transaction Documents shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement or the Note Transaction Documents and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it fails to perform, observe, or discharge any or all of its obligations under this Agreement or the Note Transaction Documents any remedy at law may prove to be inadequate relief to the Noteholder. The Company therefore agrees that the Noteholders shall be entitled to seek temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without posting a bond or other security.

(h) Enforcement. No right of the Collateral Agent or any Noteholder to enforce any provision of this Agreement shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company, or by any noncompliance by any person with the terms, provisions and covenants of this Agreement.

(i) Notices. All notices to any Noteholder permitted or required under this Agreement shall also be sent to all other Noteholders. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed given and effective on the earliest of (a) the date of transmission if such notice or communication is delivered by fax prior to 5:30 p.m. (Eastern Time) on a Business Day, (b) the next Business Day after the date of transmission if such notice or communication is delivered via fax on a day that is not a Business Day or later than 5:30 p.m. (Eastern Time) on a Business Day, (c) the 2nd business day after the date of mailing if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be as set forth in the Securities Purchase Agreement and in the case of the Collateral Agent, to the Collateral Agent at 600 Madison Avenue 14th Floor, New York, New York 10022,, or to such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by

written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby. Without limiting the foregoing, upon the reasonable request of the Required Noteholders or the Collateral Agent, the Company will, at its own expense, execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter, as applicable, register, file or record, or cause to be registered, filed or recorded, with the appropriate governmental authority, any document or instrument supplemental to or confirmatory of the Security Documents that is reasonably necessary or desirable for the continued validity, perfection and priority of the liens on the Collateral covered thereby and all such documents will be considered Security Documents.

(k) Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

(l) Authorization. By its signature, each person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

(m) Successors and Assigns; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is intended for the benefit of each of the parties hereto and its respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person, except to the extent set forth in the preceding sentence.

(n) Force Majeure. In no event shall the Collateral Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of god, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(o) Consequential Damages. Anything in this Agreement to the contrary notwithstanding, in no event shall the Collateral Agent be liable under or in connection with this Agreement for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including lost profits, whether or not foreseeable, even if the Collateral Agent has been advised of the possibility thereof and regardless of the form of action in which such damages are sought.

(p) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided, that a facsimile signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile signature.

[Signature pages follow.]

IN WITNESS WHEREOF, the undersigned have caused their respective signature page to this Collateral Agent Agreement to be duly executed as of the date first written above.

NEXXUS LIGHTING, INC

By: /s/ John C. Oakley
Name: John C. Oakley
Title: Chief Financial Officer

/s/ Jay Weil
Jay Weil
Collateral Agent

NOTEHOLDER SIGNATURE PAGE TO COLLATERAL AGENT AGREEMENT

IN WITNESS WHEREOF, the undersigned has executed this Collateral Agent Agreement on this _____ day of June, 2008.

Name of Purchaser:_____

Signature of Investor

_____

Exhibit 10.8

LOCK-UP AGREEMENT

THIS LOCK-UP AGREEMENT (the "**Agreement**") is made and entered into on June 26, 2008 between each person set forth on Schedule A to this Agreement (each, a "**Holder**") and Nexxus Lighting, Inc., a Delaware corporation (the "**Company**").

RECITALS

A. The Company has determined that it is advisable and in its best interest to enter into that certain Note and Warrant Purchase Agreement, dated as of June 26, 2008 (the "**Purchase Agreement**") with the Investors named therein (the "**Investors**"), pursuant to which the Company will issue and sell in a private offering securities of the Company (the "**Offering**"). Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement will have the meanings given such terms in the Purchase Agreement.

B. It is a condition to the Investors' respective obligations to close under the Purchase Agreement and provide the financing contemplated by the Offering that the Holder execute and deliver to the Company this Agreement.

C. In contemplation of, and as a material inducement for the Investors to enter into, the Purchase Agreement, the Holder and the Company have each agreed to execute and deliver this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Effectiveness of Agreement. This Agreement shall become null and void if the Purchase Agreement is terminated prior to closing.

The Holder has independently evaluated the merits of its decision to enter into and deliver this Agreement, and such Holder confirms that it has not relied on the advice of the Company or any other person.

2. Representations and Warranties. Each of the parties hereto, by their respective execution and delivery of this Agreement, hereby represents and warrants to the others and to all third party beneficiaries of this Agreement that (a) such party has the full right, capacity and authority to enter into, deliver and perform its respective obligations under this Agreement, (b) this Agreement has been duly executed and delivered by such party and is the binding and enforceable obligation of such party, enforceable against such party in accordance with the terms of this Agreement and (c) the execution, delivery and performance of such party's obligations under this Agreement will not conflict with or breach the terms of any other agreement, contract, commitment or understanding to which such party is a party or to which the assets or securities of such party are bound.

3. Beneficial Ownership. Holder hereby represents and warrants that it does not beneficially own (as determined in accordance with Section 13(d) of the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) any shares of Common Stock, or any economic interest therein or derivative therefrom, other than those shares of Common Stock specified on its signature page to this Agreement. For purposes of the Agreement the shares of Common Stock beneficially owned by such Holder as specified on its signature page to this Agreement are collectively referred to as the **"Holder's Shares."**

4. Lockup. From and after the date of this Agreement and through and including the date on which all outstanding principal and interest due and payable under the Notes (as defined in the Purchase Agreement) has been paid in full (the period from the date of this Agreement to the date on which all outstanding principal and interest due and payable under the Notes (as defined in the Purchase Agreement) has been paid in full is hereinafter referred to as the "**Lockup Period**"), the Holder irrevocably agrees it will not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, or announce the offering of, any of the Holder's Shares (including any securities convertible into, or exchangeable for, or representing the rights to receive, Holder's Shares) except for (i) the Holder's Shares purchased upon the exercise of previously issued stock options, which options were within 30 days of expiration at the time of exercise, (ii) Holder's Shares sold by a Holder as part of a Qualified Offering (as defined in the Purchase Agreement) or other public offering and (iii) as set forth in Section 17 below. In furtherance thereof, the Company will (x) place a stop order on all Holder's Shares, (y) notify its transfer agent in writing of the stop order and the restrictions on such Holder's Shares under this Agreement and (z) direct the transfer agent not to process any attempts by the Holder to resell or transfer any Holder's Shares in violation of this Agreement.

5. Third-Party Beneficiaries. The Holder and the Company acknowledge and agree that this Agreement is entered into for the benefit of and is enforceable by the Investors and their successors and assigns.

6. No Additional Fees/Payment. Other than the consideration specifically referenced herein, the parties hereto agree that no fee, payment or additional consideration in any form has been or will be paid to the Holder in connection with this Agreement.

7. Enumeration and Headings. The enumeration and headings contained in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

8. Counterparts. This Agreement may be executed in facsimile and in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which shall together constitute one and the same agreement.

9. Successors and Assigns; Third Party Beneficiaries. This Agreement and the terms, covenants, provisions and conditions hereof shall be binding upon, and shall inure to the benefit of, the respective heirs, successors and assigns of the parties hereto, provided that the Investors shall be intended third party beneficiaries of this Agreement.

10. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision will be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

11. Amendment. This Agreement may not be amended or modified in any manner except by a written agreement executed by each of the parties hereto if and only if such modification or amendment is consented to in writing by the Investors holding a majority in outstanding principal amount of the Notes issued under the Purchase Agreement.

12. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

13. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

14. Remedies. The Company and the Investors shall have the right to specifically enforce all of the obligations of the Holder under this Agreement (without posting a bond or other security), in addition to recovering damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Holder recognizes that if it fails to perform, observe, or discharge any of its obligations under this Agreement, any remedy at law may prove to be inadequate relief to the Company or the Investors. Therefore, the Holder agrees that each of the Company and the Investors shall be entitled to seek temporary and permanent injunctive relief in any such case without the necessity of proving actual damages and without posting a bond or other security.

15. Governing Law. The terms and provisions of this Agreement shall be construed in accordance with the laws of the State of Delaware and the federal laws of the United States of America applicable therein.

16. Termination of this Agreement. This Agreement shall terminate upon expiration of the Lockup Period, or earlier at such time as the Holder is not an officer or director of the Company.

17. No Restrictions. The restrictions set forth herein shall not apply to any transfer or disposition of any of the Holder's Shares: (a) as a bona fide gift or gifts; (b) to any trust, family limited partnership or family limited liability company for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that any such transfer shall

not involve a disposition for value; or (c) by will or intestacy to the undersigned's legal representative, heir or immediate family; provided that, in each case, any transferee, distributee or donee thereof agrees in writing to be bound by the terms of this letter agreement. For purposes of this letter agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. Anything contained herein to the contrary notwithstanding, any person to whom the Holder's Shares are transferred from the undersigned shall be bound by the terms of this letter agreement. In addition, the restrictions set forth herein shall not apply as set forth in Section 4 above or to the exercise of any options or warrants beneficially owned by the undersigned as of the date hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the day and year first above written.

_____

_____

Name

Number of shares of Common Stock beneficially owned: _____

NEXXUS LIGHTING, INC.

By:_____

Name: John C. Oakley
Title: Chief Financial Officer

SCHEDULE A

Michael A. Bauer
Brett M. Kingstone
Edgar Protiva
Brian McCann
Fritz Zeck
Anthony Nicolosi
Anthony C. Castor III
John C. Oakley
Donna Daniels

Exhibit 10.9

NEXXUS LIGHTING, INC.
124 Floyd Smith Drive, Suite 300
Charlotte, North Carolina 28262

June 26, 2008

Zdenko Grajcar
Carey Burkett
in care of Lumificient Corporation
8752 Monticello Lane N
Maple Grove, Minnesota 55369

Dear Shareholders:

Reference is made to the Stock Purchase Agreement dated as of April 30, 2008 (the "Stock Purchase Agreement") by and among Lumificient Corporation, a Minnesota corporation (the "Company"), the shareholders of the Company listed on Schedule I thereto (the "Shareholders") and Nexxus Lighting, Inc., a Delaware corporation (the "Purchaser"). Among other things, under the terms of the Stock Purchase Agreement, the Shareholders received total cash consideration of $1.1 million (subject to a $200,000 indemnity Holdback Amount), an aggregate of 475,000 shares of the Purchaser's Common Stock and, based upon certain future earn-out formulations ("Earn-out Payments"), may receive up to an aggregate of 1,725,000 additional shares of the Purchaser's Common Stock. Capitalized terms used in this letter and not defined shall have the same meanings ascribed to such terms in the Stock Purchase Agreement.

This letter, when countersigned by you, shall confirm our agreement as follows:

1. The Purchaser Common Stock issued to the Shareholders as Initial Shares and the Purchaser Common Stock which may be issued to the Shareholders as Earn-out Payments (the "Earn-out Shares") will not result in such Shareholders (individually or together with any other person or entity with whom each such Shareholder has identified, or will have identified, itself as part of a "group" in a public filing made with the Securities and Exchange Commission involving the Company's securities) acquiring, or obtaining the right to acquire, in excess of 19.999% of the outstanding shares of Common Stock or voting power of the Purchaser outstanding before the Closing.

2. In connection with the transactions contemplated by the Stock Purchase Agreement, the Purchaser will not issue Purchaser Common Stock to the Shareholders in excess of 19.999% of the outstanding shares of Purchaser Common Stock or the voting power of the Purchaser outstanding before the Closing (the "Threshold") without first obtaining stockholder approval for such issuance.

3. If on any Payment Date, the delivery to the Shareholders of Earn-out Shares would result in the Purchaser issuing Purchaser Common Stock to the Shareholders in excess of the Threshold, (the "Excess Shares"), in lieu of issuing the Excess Shares, the

Purchaser may pay the Shareholders an amount equal to the value of the Excess Shares on such Payment Date. The value of the Excess Shares on the Payment Date shall be equal to the number of Excess Shares to be delivered to the Shareholders multiplied by the closing sales price of the Purchaser Common Stock as reported by NASDAQ on the Payment Date.

4. Except as explicitly set forth herein, the Stock Purchase Agreement shall remain unmodified and in full force and effect.

5. This letter shall be governed by Delaware law, without regard to the conflicts of law principles thereof.

Very truly yours

NEXXUS LIGHTING, INC.,
a Delaware corporation

By: /s/ Michael A. Bauer
Name: Michael A. Bauer
Title: President and Chief Executive Officer

Agreed to this 26th day of June, 2008.

SHAREHOLDERS:

/s/ Zdenko Grajcar
Zdenko Grajcar

/s/ Carey Burkett
Carey Burkett