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) November 11, 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 November 11, 2008, Nexxus Lighting, Inc. (the "Company") entered into a Preferred Stock 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. The transaction contemplated by the Purchase Agreement closed effective November 12, 2008 (the "Closing"). Pursuant to the Purchase Agreement, the Company sold approximately 1,500 units (the "Units") at a price of $5,000.00 per unit (the "Stated Value"), resulting in aggregate consideration of $7,567,230, consisting of $3,974,600 in cash and cancellation of $3,592,630 million in principal amount of indebtedness and accrued interest (the "Private Placement"). The purchase price for the Units was payable either in cash or by the delivery to the Company of, and cancellation of all principal and accrued interest as of the date of the Closing on, the Company's Secured Promissory Notes issued in June 2008 (the "June 2008 Notes"), with the aggregate amount of principal and interest on such cancelled June 2008 Notes being applied against the purchase price of the Units on a dollar for dollar basis.

Each Unit consists of one share of the Company's Series A preferred stock, $.001 par value per share (the "Preferred Stock") and a warrant to purchase 750 shares of the Company's common stock, $.001 par value per share ("Common Stock") exercisable at $6.40 per share, expiring three years from the date of issuance (the "Warrants"). A total of 1,135,083 Warrants were issued to the Purchasers at Closing pursuant to the Purchase Agreement.

The Preferred Stock is redeemable by the Company at any time, and all or a specified portion of the Preferred Stock is redeemable at the option of the holder upon consummation of a Qualified Offering (as such term is defined in the Certificate of Designations, Rights and Preferences of the Series A Preferred Stock, the "Certificate of Designations"). Holders of the Preferred Stock are entitled to dividends at the rate of 8% per annum, escalating to up to 16% per annum if, among other things, the Preferred Stock is not redeemed within twelve months after issuance or the Company breaches a covenant set forth in the Purchase Agreement. In addition, upon an event of default under the Purchase Agreement, purchasers of Units will have the right to designate one director to the Company's board of directors. The Preferred Stock is non-voting.

At the option of the holder, the Preferred Stock is convertible at any time commencing four years after issuance into shares of the Company's Common Stock at a conversion price equal to (A) the sum of the Stated Value of the Preferred Stock plus all accumulated dividends on such Preferred Stock, divided by (B) the greater of (i) $6.59 (the market value of the Common Stock immediately preceding the entering into of the Purchase Agreement plus a value of $0.125 for each share of Common Stock purchasable with a Warrant) and (ii) the market value of the Common Stock at 4:00 p.m. EST on the conversion date. The conversion price of the Preferred Stock is not subject to any price-based anti-dilution provisions. The conversion price of the Preferred Stock is subject to adjustment only for stock splits and similar events.

In the event of a Liquidation Event (as such term is defined in the Certificate of Designations), the holders of Preferred Stock shall be entitled to receive in cash out of the assets of the Company, before any amount shall be paid to the holders of any of the capital shares of the Company of any class junior in rank to the Preferred Stock, an amount per share equal to the Stated Value plus all accumulated dividends on such Preferred Stock (whether or not declared) to and including the date of the Liquidation Event.

The Warrants included in the Units are not exercisable until one year after they are issued. The exercise price of the Warrants is $6.40 per share (the market value of the Company's Common Stock immediately preceding the entering into by the Purchasers of the Purchase Agreement plus $.05). There

are no price-based anti-dilution provisions in the Warrants. The exercise price of the Warrants is subject to adjustment only for stock splits and similar events. The Warrants contain certain cash-less exercise provisions.

Additional Warrants may be issued to purchasers of the Units (the "Additional Warrants"). If all of the shares of Preferred Stock are not redeemed prior to the date which is six months after the Closing (the "First Deadline"), then the Company will issue to the holders of the Preferred Stock, Additional Warrants to purchase an aggregate number of shares of Common Stock equal to 50% of the number of shares of Common Stock which may be purchased upon exercise of the Warrants issued at the Closing. If all of the shares of Preferred Stock are not redeemed prior to the first anniversary of the Closing (the "Second Deadline"), then the Company shall issue to the holders of the Preferred Stock, Additional Warrants to purchase an aggregate number of shares of Common Stock equal to 50% of the number of shares of Common Stock which may be purchased upon exercise of the Warrants issued at the Closing. If the Preferred Stock is redeemed after the First Deadline, but before the Second Deadline, Additional Warrants will be issued based on the number of days elapsed after the First Deadline. All Additional Warrants shall be in the same form as the Warrants, except the exercise period shall be for three years commencing on the date of issuance.

In connection with the Private Placement, the Company paid the placement agent at Closing a fee equal to the sum of (a) five percent (5%) of the gross proceeds received by the Company in cash from the sale of Units and (b) two and one-half percent (2.5%) of the gross proceeds received by the Company from the sale of Units in the offering in the form of cancellation of indebtedness. The fee was paid by issuing to the Placement Agent and/or its designees at the Closing such number of Units having a purchase price equal to the aggregate amount of the fee. A total of 57.71 Units were issued to the Placement Agent and/or its designees at Closing, consisting of 57.71 shares of Preferred Stock and 43,283 Warrants.

Also, in connection with the Private Placement, pursuant to existing contractual rights, the exercise price of certain warrants to purchase an aggregate of 218,750 shares of the Company's Common Stock (the "June 2008 Warrants") issued to the holders of the June 2008 Notes was reset to the exercise price of the Warrants in the Private Placement. In addition, the Company and each holder of the June 2008 Warrants agreed in the Purchase Agreement that under no circumstances shall any further price based adjustment be made to the exercise price of the June 2008 Warrants.

In addition, in connection with the Private Placement, the officers, directors and certain key employees of the Company and its subsidiaries (the "Holders") have entered into lock-up agreements (each, a "Lock-up Agreement") pursuant to which, among other things, each Holder has agreed not to sell shares of the Company's Common Stock beneficially owned by such Holder until all of the Preferred Stock has been redeemed, except as otherwise set forth therein. The Lock-up Agreement terminates with respect to each such Holder at such time as the Holder is not an officer, director or key employee of the Company or its subsidiaries.

The purchasers of the Units were the holders of the June 2008 Notes and certain other existing stockholders of the Company or their affiliates. The stockholders of the Company participating in the Private Placement have certain contractual preemptive rights to purchase the Units pursuant to a Common Stock and Warrant Purchase Agreement, dated December 7, 2006.

Neither the Preferred Stock, the Warrants, the Additional Warrants, if any, nor the shares of Common Stock which may be acquired upon conversion of the Preferred Stock or exercise of 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 Preferred Stock 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 certificates representing the Preferred Stock and Warrants contains restrictive legends preventing the sale, transfer or other disposition of such Preferred Stock 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, the form of Warrant, the form of Lock-up Agreement and the Certificate of Designations 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 documents filed herewith as exhibits, and investors are encouraged to review the full text of such documents.

The net proceeds of the Private Placement will be used by the Company for working capital and other general corporate purposes.

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.

Item 1.02 Termination of a Material Definitive Agreement.

The disclosure under Item 1.01 is incorporated by reference in its entirety in this Item 1.02. At Closing, an aggregate of $3.5 million in principal amount plus approximately $93,000 in accrued but unpaid interest on the June 2008 Notes was cancelled in exchange for the issuance of approximately 719 Units in the Private Placement. The aggregate amount of principal and interest on such cancelled June 2008 Notes was applied against the purchase price of the Units on a dollar for dollar basis. All of the Company's obligations to the holders of the June 2008 Notes were satisfied at Closing and, except for the June 2008 Warrants, all of the agreements relating to the June 2008 Notes were terminated at Closing.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure under Item 1.01 is incorporated by reference in its entirety 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 3.03 Material Modification to Rights of Security Holders.

Following the issuance of the Preferred Stock, unless all of the shares of Preferred Stock have been redeemed, or the holders of a majority of the then outstanding shares of Preferred Stock shall otherwise consent in writing, except for the Preferred Stock, the Company shall not 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.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Effective November 10, 2008, the Company filed a Certificate of Designations with the Delaware Secretary of State establishing the rights, preferences, privileges and restrictions applicable to the Preferred Stock. The information regarding the terms of the Preferred Stock set forth in Item 1.01 is incorporated into this Item 5.03 by reference. The foregoing description of the Certificate of Designations in Item 1.01 is a summary only, and is qualified in its entirety by reference to the full text of the Certificate of Designations, which is filed as Exhibit 3.1 hereto and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
3.1	Certificate of Designations, Preferences and Rights of Series A Preferred Stock of Nexxus Lighting, Inc.
10.1	Preferred Stock and Warrant Purchase Agreement by and between the Company and each Purchaser set forth on Schedule I thereto, dated as of November 11, 2008.
10.2	Form of Common Stock Purchase Warrant.
10.3	Form of Lock-Up Agreement.
99.1	Press Release dated November 13, 2008

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.

November 13, 2008

NEXXUS LIGHTING, INC.

/s/ John C. Oakley

Name: John C. Oakley
Title: Chief Financial Officer

EXHIBIT INDEX

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Exhibit 3.1

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS
OF
SERIES A PREFERRED STOCK
OF
NEXXUS LIGHTING, INC.

Nexxus Lighting, Inc. (the "**Company**"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**DGCL**"), does hereby certify that, pursuant to authority conferred upon the Board of Directors of the Company by the Certificate of Incorporation, as amended, of the Company, and pursuant to Section 151 of the DGCL, the Board of Directors of the Company, has adopted resolutions (a) authorizing the issuance of preferred stock, $0.001 par value per share, of the Company ("**Preferred Stock**") in one or more series providing for the designations, preferences and relative participating, optional or other rights, and the qualifications, limitations and restrictions relating to the shares of each such series, and (b) has adopted resolutions (i) designating Three Thousand (3,000) shares of the Company's previously authorized Preferred Stock as "Series A Preferred Stock," $0.001 par value per share (the "**Preferred Shares**"), and (ii) providing for the designations, preferences and relative participating, optional or other rights, and the qualifications, limitations or restrictions thereof, set forth below. Capitalized terms used and not otherwise defined herein have the respective meanings given to such terms in Section 14 below.

RESOLVED, that the Company is authorized to issue up to Three Thousand (3,000) shares of Series A Preferred Stock, $0.001 par value per share, which shall have the following designations, powers, preferences, relative rights, qualifications, limitations and restrictions:

(1) Dividends. The holders of the Preferred Shares (each, a "**Holder**" and collectively, the "**Holders**") shall be entitled to receive dividends ("**Dividends**") payable in cash on the Stated Value of outstanding Preferred Shares at the Dividend Rate. Dividends on the Preferred Shares shall commence accruing on the Initial Issuance Date and shall be computed on the basis of a 360-day year consisting of twelve 30-day months and shall be payable, to the extent the Company shall have funds legally available therefor, in arrears for each Payment Period on the first day of the next succeeding Payment Period (each, a "**Dividend Date**") during the period beginning on the Initial Issuance Date and ending when no Preferred Shares remain outstanding with the first Dividend Date being November 1, 2009. Prior to the payment of Dividends on a Dividend Date, Dividends on the Preferred Shares shall accrue at the then applicable Dividend Rate. Dividends shall be cumulative from the Initial Issuance Date whether or not earned or declared. So long as any Preferred Shares are outstanding, unless all accrued and unpaid dividends on the outstanding Preferred Shares shall have been paid in full, the Company shall not pay or declare any dividends, or make any other distributions, on any Junior Shares. If a Dividend Date is not a Business Day, then the Dividend shall be due and payable on the Business Day immediately following such Dividend Date.

(2) Voting Rights. Except as otherwise from time to time required by law, the Preferred Shares shall have no voting rights.

(3) Redemption of Preferred Shares.

(a) At Option of Company. To the extent the Company shall have funds legally available therefor, the Company may redeem all or any part of the outstanding Preferred Shares at any time, and from time to time, for a purchase price (the "**Redemption Price**") per share equal to the Stated Value plus all accumulated dividends on such Preferred Shares (whether or not declared) to and including the Redemption Date. Notice of the proposed redemption of Preferred Shares under this subparagraph 3(a) shall be sent by or on behalf of the Company to the Holders of record of the Preferred Shares at their respective addresses as they shall appear on the records of the Company, not less than ten days prior to the date fixed for redemption (the "**Redemption Date**") (i) notifying such Holders of the election of the Company to redeem such shares and of the Redemption Date and (ii) stating the place or places at which the shares called for redemption shall, upon presentation and surrender of the certificates evidencing such shares, be redeemed, the number of Preferred Shares of such Holders to be redeemed and the Redemption Price therefor. If notice of redemption shall have been given as hereinbefore provided, each Holder of Preferred Shares called for redemption shall surrender the certificates evidencing such shares to the Company against payment therefore of the Redemption Price. If notice of redemption shall have been given as hereinbefore provided, and the Company shall not default in the payment of the Redemption Price, then each Holder of Preferred Shares shall be entitled to all preferences and relative and other rights accorded the Preferred Shares by this Certificate of Designations until, but not including, the Redemption Date. If the Company shall default in making payment of the Redemption Price on the Redemption Date, then each Holder of the Preferred Shares shall be entitled to all preferences and relative and other rights accorded by this Certificate of Designations until, but not including, the date (the "**Final Redemption Date**") when the Company makes payment of the Redemption Price to the Holders of the Preferred Shares. From and after the Redemption Date or, if the Company shall default in making payment as aforesaid, from and after the Final Redemption Date, the Preferred Shares shall no longer be deemed to be outstanding, and all rights of the Holders of such shares shall cease and terminate, except the right of the Holders of such shares, upon surrender of certificates therefore, to receive payment of the Redemption Price. If less than all of the outstanding Preferred Shares are to be redeemed, then the Company shall redeem a pro rata portion from each Holder of Preferred Shares according to the respective number of Preferred Shares held by such Holder.

(b) Redemption Upon Qualified Offering. To the extent the Company shall have funds legally available, and subject to prohibitions contained in then existing credit facilities, no later than two Business Days after the consummation of a Qualified Offering, the Company will, by written notice given to the Holders of Preferred Shares, offer to redeem the outstanding Preferred Shares as follows:

(i) If the gross sales price of equity securities sold by the Company in the Qualified Offering is greater than $5 million and less than $15 million, the Company shall offer to redeem at least 30% of the outstanding Preferred Shares;

(ii) If the gross sales price of equity securities sold by the Company in the Qualified Offering is equal to or greater than $15 million and less than $20 million, the Company shall offer to redeem at least 50% of the outstanding Preferred Shares; and

(iii) If the gross sales price of equity securities sold by the Company in the Qualified Offering is equal to or greater than $20 million, the Company shall offer to redeem 100% of the outstanding Preferred Shares.

Upon receipt of a notice given pursuant to this subparagraph 3(b), each Holder of Preferred Shares shall have the right to accept such offer by tendering such Holder's shares to the Company for redemption, at an address to be set forth in such notice, at any time prior to 5:00 p.m. Charlotte time on the 15th day following the making of the offer to redeem by notice given as prescribed herein. If less than all of the outstanding Preferred Shares are to be redeemed, then the Company shall redeem a pro rata portion from each Holder of Preferred Shares according to the respective number of Preferred Shares held by such Holder.

(4) Liquidation, Dissolution, Winding-Up. In the event of a Liquidation Event, the Holders shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its stockholders (the "**Liquidation Funds**"), before any amount shall be paid to the holders of any of the capital shares of the Company of any class junior in rank to the Preferred Shares in respect of the preferences as to distributions and payments on the liquidation, dissolution and winding up of the Company ("**Junior Shares**"), an amount per Preferred Share equal to the Stated Value plus all accumulated dividends on such Preferred Shares (whether or not declared) to and including the date of the Liquidation Event; provided that, if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of shares of other classes or series of preferred shares of the Company that are of equal rank with the Preferred Shares as to payments of Liquidation Funds (the "**Pari Passu Shares**"), then each holder of Preferred Shares and Pari Passu Shares shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such holder as a liquidation preference, in accordance with their respective certificate of designations (or equivalent), as a percentage of the full amount of Liquidation Funds payable to all holders of Preferred Shares and Pari Passu Shares. To the extent necessary, the Company shall cause such actions to be taken by any of its Subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of a Liquidation Event to be distributed to the Holders in accordance with this Section. All the preferential amounts to be paid to the Holders under this Section shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Company, to the holders of shares of other classes or series of preferred shares of the Company junior in rank to the Preferred Shares in connection with a Liquidation Event as to which this Section applies. The purchase or redemption by the Company of shares of any class, in any manner permitted by law, shall not, for the purposes hereof, be regarded as a Liquidation Event. After payment to the Holders of Preferred Shares of the full amounts set forth in this Section 4, the entire remaining assets and funds of the Company legally available for distribution, if any, shall be distributed to among the holders of Junior Shares.

(5) Conversion Right. At any time commencing four (4) years after the Initial Issuance Date, a Holder may, at its election, convert Preferred Shares into that number of fully paid and nonassessable shares of Common Stock (or such other equity security of the Company for which all of its Common Stock has been exchanged or into which all of its Common Stock has been converted) equal to (A) the sum of the Stated Value plus all accumulated dividends on such Preferred Shares (whether or not declared) to and including the date such election is made

(the "**Conversion Date**"), divided by (B) the greater of (i) the Market Value of the Common Stock immediately preceding the entering into by such Holder of the binding agreement to issue the Preferred Shares plus the Warrant Coverage Value and (ii) the Market Value of the Common Stock at 4:00 p.m. EST on the Conversion Date. A Holder may make this election and shall be entitled to convert all (but not less than all) of its Preferred Shares only once, but may do so at any time commencing four (4) years after the Initial Issuance Date. In the event a Holder desires to convert its Preferred Shares, such Holder shall deliver to the Company's Chief Financial Officer written notice expressly to that effect and duly executed by or on behalf of the Holder (a "**Conversion Notice**"). The date the Company's Chief Financial Officer actually receives a Conversion Notice shall be deemed to be the Conversion Date, unless the Holder and the Company expressly agree to another such date in writing. From and after the Conversion Date, and assuming rightful and due delivery of a Conversion Notice, the Holder's Preferred Shares shall represent and be enforceable only as the right to receive the shares of Common Stock or other securities issuable in accordance with this Section 5. Promptly after its receipt of a Conversion Notice, the Company shall issue and deliver to the Holder, but only against delivery of and only after receiving the Holder's Preferred Shares, one or more certificates representing shares of the Company's Common Stock issued and registered in the name of the Holder. Thereupon, the Company shall have no further obligation to the Holder under or based on the Preferred Shares. Upon any increase or decrease in the number of issued shares of Common Stock resulting from the splitting or consolidation of such shares or the payment of a stock dividend the number of shares of Common Stock issuable upon conversion of the Preferred Shares shall be proportionately adjusted.

(6) Preferred Rank. All Common Stock shall be of junior rank to all Preferred Shares with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company. As long as any Preferred Shares remain outstanding, without the prior written consent of the Holders of Preferred Shares representing at least a majority of the aggregate Preferred Shares then outstanding, the Company shall not authorize or issue additional or other capital shares that are of senior rank to the Preferred Shares in respect of the preferences as to distributions and payments upon the liquidation, dissolution and winding up of the Company. In the event of the merger or consolidation of the Company with or into another corporation, the Preferred Shares shall maintain their relative powers, designations and preferences provided for herein and no merger shall result inconsistent therewith.

(7) Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing the Preferred Shares, and, in the case of loss, theft or destruction, of an indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and amount.

(8) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designations shall be cumulative and in addition to all other remedies available under this Certificate of Designations, at law or in equity (including a decree of specific performance and/or other injunctive relief). No remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy.

Nothing herein shall limit a Holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designations. The Company covenants to each Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments and the like (and the computation thereof) shall be the amounts to be received by the Holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holders shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

(9) Construction. This Certificate of Designations shall be deemed to be jointly drafted by the Company and all Holders and shall not be construed against any person as the drafter hereof. Any provision herein which conflicts with or violates any applicable usury law shall be deemed modified to the extent necessary to avoid such conflict or violation.

(10) Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

(11) Notice. Whenever notice is required to be given under this Certificate of Designations, such notice shall be given in accordance with Section 8.7 of the Securities Purchase Agreement (provided that if the Preferred Shares are not held by a Purchaser (as defined in the Securities Purchase Agreement) then substituting the word "Holder" for the word "Purchaser" in each place the word "Purchaser" appears in such Section 8.7 and in such case the address of the Holder shall be the address of the Holder last shown in the records of the Company).

(12) Transfer of Preferred Shares. A Holder may assign some or all of the Preferred Shares and the accompanying rights hereunder held by such Holder without the consent of the Company; provided that such assignment is in compliance with applicable securities laws.

(13) Preferred Share Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Preferred Shares, in which the Company shall record the name and address of the Persons in whose name the Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Preferred Share is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

(14) Certain Defined Terms. For purposes of this Certificate of Designations, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

(b) "**Certificate of Designations**" means this Certificate of Designations, Preferences and Rights of Series A Preferred Stock of Nexxus Lighting, Inc.

(c) "**Common Stock**" means the Common Stock, $0.001 par value, of the Company.

(d) "**Dividend Rate**" means (i) eight percent (8.00%) per annum for the period beginning on the Initial Issuance Date and ending 180 days after the Initial Issuance Date, (ii) ten percent (10.00%) per annum for the period beginning 181 days after the Initial Issuance Date and ending 360 days after the Initial Issuance Date and (iii) sixteen percent (16.00%) per annum for the period beginning 361 days after the Initial Issuance Date and ending when no Preferred Shares remain outstanding.

(e) "**Initial Issuance Date**" means the date that a Holder purchases Preferred Shares.

(f) "**Liquidation Event**" means the voluntary or involuntary liquidation, dissolution or winding up of the Company, or such Subsidiaries the assets of which constitute all or substantially all of the business of the Company and its Subsidiaries taken as a whole, in a single transaction or series of transactions.

(g) "**Market Value**" means the consolidated closing bid price of the Company's Common Stock as determined by applicable Nasdaq rules.

(h) "**Payment Period**" means each of the following periods: the period beginning on the Initial Issuance Date and ending on October 31, 2009; the period beginning on and including November 1 and ending on and including April 30 of each year thereafter; and the period beginning on and including May 1 and ending on and including October 31 of each year thereafter.

(i) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

(j) "**Qualified Offering**" means the sale of equity securities of the Company, or a subsidiary of the Company, by the Company or any such subsidiary, in one or a series of financing transactions for an aggregate gross sales price greater than $5,000,000. Financing transactions shall exclude the exercise of the Company's options and warrants, securities issued pursuant to stock option or other equity incentive plans or arrangements, securities issued in connection with corporate partnering transactions or the acquisition of businesses or assets, securities issued to vendors or customers or to other persons or entities in similar commercial situations, securities issued in connection with obtaining any equipment loan or leasing arrangement, real property leasing arrangement or debt financing and securities issued for services rendered to the Company (including, without limitation, to any broker, finder or agent in connection with financing activities or otherwise).

(k) "**Securities Purchase Agreement**" means that certain Preferred Stock and Warrant Purchase Agreement by and among the Company and the initial Holders, as such agreement further may be amended from time to time as provided in such agreement.

(l) "**Stated Value**" means $5,000 per each Preferred Share.

(m) "**Warrant Coverage Value**" means a value of $.125 for each share of Common Stock purchasable upon the exercise of any warrants associated with the transaction pursuant to which the Preferred Shares are issued, as determined in accordance with applicable Nasdaq rules. Nasdaq sets this value based on the maximum potential warrant coverage associated with the transaction pursuant to which the Preferred Shares are issued. For purposes of example only, and not by way of limitation, if the maximum potential warrant coverage associated with the transaction pursuant to which the Preferred Shares are issued is 200%, the Warrant Coverage Value would be $.25 (i.e., 200% multiplied by $.125 equals $.25).

* * * * *

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed by Michael A. Bauer, its President and Chief Executive Officer, as of the 10th day of November, 2008

NEXXUS LIGHTING, INC.

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

Exhibit 10.1

EXECUTION COPY

PREFERRED STOCK AND WARRANT PURCHASE AGREEMENT

THIS PREFERRED STOCK AND WARRANT PURCHASE AGREEMENT (the "Agreement") is entered into as of November 11, 2008, by and among NEXXUS LIGHTING, INC., a Delaware corporation (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) the number of shares of the Company's Series A Preferred Stock, $.001 par value per share (the "Preferred Stock") set forth on the Purchaser's signature page to this Agreement (the "Purchaser's Signature Page") and (b) a Common Stock Purchase Warrant in the form attached hereto as Exhibit A (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. The shares of Common Stock issuable upon exercise of or otherwise pursuant to the Warrants are referred to herein as the "Warrant Shares." The shares of Preferred Stock, the Warrants and the Warrant Shares are collectively referred to herein as the "Securities".

C. This Agreement, the Certificate of Designations, Rights and Preferences of the Series A Preferred Stock (the "Certificate of Designations"), 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 the Purchasers hereby agree as follows:

ARTICLE I

PURCHASE AND SALE OF SHARES AND WARRANTS

1.1 Purchase of Shares and Warrants. Subject to the terms and conditions of this Agreement, the issuance, sale and purchase of the shares of Preferred Stock (the "Shares") and Warrants shall be consummated in a "Closing." Each "Unit" shall consist of (a) one (1) Share, each Share with an initial Stated Value (as defined in the Certificate of Designations) of $5,000 and (b) Warrants issued with respect to such Shares as hereinafter provided. The purchase price (the "Purchase Price") per Unit shall be equal to $5,000. The number of shares of Common Stock for which the Warrants issued as part of a Unit shall be exercisable shall equal 15% of the Purchase Price of such Unit. For purposes of example only, and not by way of limitation, for a Purchase Price of $100,000, a Purchaser would receive twenty (20) Units, consisting of twenty (20) Shares (with a Stated Value of $5,000 per Share) and Warrants to purchase 15,000 shares of the Company's Common Stock. The exercise price of the Warrants shall be the market value of the Company's Common Stock immediately preceding the entering into by the Purchaser of this Agreement plus $.05. For purposes of this Agreement and the Warrants, market value shall be determined in accordance with applicable Nasdaq rules.

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, such number of Units set forth opposite the Purchaser's name on the Purchaser's Signature Page. Each Purchaser's obligation to purchase Shares 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 number of Units 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. Payment of the Purchase Price for the Units shall be either in cash or by the delivery to the Company of, and cancellation of all principal and accrued interest as of the date of the Closing on, the Company's Secured Promissory Notes issued in June 2008 (the "June 2008 Notes"), with the aggregate amount of principal and interest on such cancelled June 2008 Notes being applied against the Purchase Price dollar for dollar.

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 commission equal to the sum of (a) five percent (5%) of the gross proceeds received by the Company in cash from the sale of Units in the Offering and (b) two and one-half percent (2.5%) of the gross proceeds received by the Company for the sale of Units in the Offering in the form of cancelled principal and interest on the June 2008

Notes. The fee shall be paid by issuing to the Placement Agent and/or its designees at the Closing such number of Units having a Purchase Price equal to the aggregate amount of the fee. At or before the Closing, the Company will also reimburse the Placement Agent for 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 Shares and Warrants pursuant to this Agreement shall be on or before 5:00 p.m. Charlotte, North Carolina time, on November 12, 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 understands that neither the Shares, Warrants or Warrant Shares are registered under the Securities Act or the securities laws of any state. Purchaser is purchasing the Shares 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 Shares, 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"). No private placement memorandum or similar document has been provided to any Purchaser in connection with the Offering. However, 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 until such time, if any, as the Warrant Shares may be sold by Purchaser pursuant to Rule 144 (subject to and in

accordance with the procedures specified in ARTICLE V hereof), the certificates for the Shares and Warrants, and, if the Warrants are exercised, the certificates for the Warrant Shares, , 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 No General Solicitation. Purchaser is not 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.

2.12 Pre-existing Relationship. Purchaser has a pre-existing relationship with the Company. Purchaser is not purchasing the Securities as a result of or in connection with any registered public offering by the Company.

2.13 Risk Factors. Purchaser has reviewed the Risk Factors in the Company's SEC Documents.

2.14 Preemptive Rights. Purchaser acknowledges that certain investors have preemptive rights to purchase the Securities pursuant to Section 4.5 of the Common Stock and Warrant Purchase Agreement, dated December 7, 2006, between the Company and the purchasers set forth in Schedule 1 thereto (the "2006 Preemptive Rights"). Within five (5) days after the Closing, the Company shall offer such investors the right to acquire Securities sold pursuant to this Agreement pursuant to the 2006 Preemptive Rights.

2.15 Dividends and Redemption of Shares. Purchaser understands that under Delaware law, the Company may not redeem any Shares if such redemption impairs the capital of the Company. The use of the Company funds to redeem Shares impairs the Company's capital if such payments exceed the amount of the Company's "surplus" as defined by Delaware law generally to mean the excess of net assets over the par value of the Company's stock. Dividends may be paid only out of "surplus" as defined under Delaware law, or in the case there is no surplus, out of the Company's profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

2.16 No Assurance of Return on Investment. Purchaser realizes that the purchase of the Securities is a highly speculative investment. Purchaser is able, without impairing Purchaser's financial condition, to bear the economic risk of the purchase of the Securities pursuant to the terms of this Agreement and the Certificate of Designations, to hold the Securities for an indefinite period of time and to suffer a complete loss of Purchaser's investment. Prior to executing this Agreement, Purchaser has reviewed carefully a copy of this Agreement and each schedule and exhibit hereto. Purchaser has such knowledge and experience in financial and business matters that the Purchaser is capable of evaluating the merits and risks of the purchase of Securities pursuant to the terms of this Agreement and protecting the Purchaser's interests in connection therewith. THERE IS NO ASSURANCE THAT PURCHASER WILL RECOVER OR REALIZE ANY RETURN ON PURCHASER'S INVESTMENT IN THE SECURITIES OR THAT PURCHASER WILL NOT LOSE PURCHASER'S ENTIRE INVESTMENT IN THE COMPANY. THERE IS NO ASSURANCE THAT THE COMPANY WILL ACHIEVE PROFITABILITY. PURCHASER HAS READ THE RISK FACTORS CONTAINED IN THE COMPANY'S SEC DOCUMENTS AND OTHER MATERIAL PROVIDED OR MADE AVAILABLE BY THE COMPANY CAREFULLY AND CONSULTED WITH HIS OWN ATTORNEY OR BUSINESS ADVISOR PRIOR TO MAKING ANY INVESTMENT DECISION. PURCHASER CAN AFFORD THE RISK OF LOSS OF PURCHASER'S ENTIRE INVESTMENT IN THE COMPANY.

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 Shares 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 Shares 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 Shares 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 October 31, 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 for the 2006 Preemptive Rights, no shares of capital stock of the Company (including Preferred Stock, 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) except for the warrants to purchase Common Stock of the Company issued to certain investors in connection with the issuance and sale of the June 2008 Notes (the "June 2008 Warrants"), the 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, provided that the Bylaws must be amended to increase the size of the Company's board of directors in the event the Purchaser's designate a member to the Company's board of directors pursuant to Section 4.9 of this Agreement 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 documents as may be required to be filed in compliance with the rules and regulations of the Financial Industry Regulatory Authority ("FINRA") and The NASDAQ Stock Market ("NASDAQ") and any consent from NASDAQ and FINRA, copies of which shall be provided to any Purchaser upon the request of such Purchaser, 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 NASDAQ 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) Shares, (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. Except as set forth in Schedule 3.7, 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) 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-Q for the quarter ended June 30, 2008 and since the date of such filing, 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, or as otherwise set forth herein or in the Schedule and Exhibits hereto, 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, and are 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 the 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 and John C. Oakley.

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 (as hereinafter defined) 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 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. For purposes of this Agreement, "Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

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 4,800,000, or such lesser number of the shares of its authorized Common Stock sufficient for the issuance of shares of Common Stock upon conversion of all of the Shares and the 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 shares 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 fees and expenses in connection with the Offering and the Closing (including expenses of the Placement Agent and fees and expenses of its counsel, subject to the limitations set forth in agreements between the Company and the Placement Agent); (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) payment of fees and expenses incurred in pursuing the Company's proposed follow-on public offering in an amount equal to approximately $350,000 and (d) 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. Financial Covenants. From and after December 31, 2008, unless all of the Shares have been redeemed, or the holders of a majority of the then outstanding Shares shall otherwise consent in writing, the Company shall comply with the following covenants (measured at the end of each fiscal quarter of the Company with respect to financial covenants, with the first such measurement date being December 31, 2008):

(a) Tangible Net Worth. The Company shall maintain a tangible net worth of at least $5,000,000. For purposes of this Agreement, tangible net worth shall mean the Company's consolidated total assets, less all intangible assets and all liabilities. All amounts shall be determined in accordance with generally accepted accounting principles.

(b) EBITDA. The Company shall not have EBITDA for any trailing 12-month period of less than negative ($5,500,000). For purposes of this Section 4.8(b), EBITDA shall mean net income/loss before interest, taxes, depreciation, amortization, stock compensation expense and one-time non-cash expenses.

(c) No Security Interests. The Company shall not create any security interest or other lien for funded indebtedness on any asset or permit any subsidiary to create any lien for funded indebtedness on any of such subsidiary's assets other than (a) purchase money security interests incurred in connection with the acquisition of assets in a transaction otherwise not prohibited hereunder or (b) 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.

(d) Except for the Shares, the Company shall not 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.

(e) The Company shall not enter into any loan agreement with any lender resulting in total funded indebtedness of the Company in excess of $200,000.

(f) The Company shall not issue any equity securities which are senior to or pari passu with the Shares, except for the Shares issued and sold pursuant to the 2006 Preemptive Rights.

4.9 Events of Default. An "Event of Default" shall occur if:

(a) any representation or warranty made by the Company in any Transaction Document or in any certificate, agreement or instrument executed and delivered to the Purchasers by the Company 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 Company receives notice thereof from the Placement Agent, a Purchaser, or a third party; or

(b) the Company or any of its subsidiaries defaults in any material respect in the performance of any material term, covenant, agreement, condition, undertaking or provision of any Transaction Document, or any financial covenants set forth in or referred to in this Agreement, and such default is not cured or waived within ten (10) Business Days after the Company receives notice of such default from the Placement Agent or a Purchaser; or

(c) (i) the Company 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 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 Agreement 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

(d) (i) One or more final judgments, decrees or orders shall be entered against the Company 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 Company 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 Company 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 Company or any subsidiary; or

(e) the Company (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

(f) at any time there occurs a Change of Control Transaction. For purposes of this Agreement, a "Change of Control Transaction" shall mean (i) a sale, lease or other disposition of assets or properties of the Company 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 Company (or securities exchangeable for or convertible into such stock or interests) entitled to elect a majority of the Company's Board of Directors or representing at least fifty-one percent (51%) of the number of shares of Common Stock outstanding; or

(g) on or at any time after the Closing of this Agreement (i) any of the Transaction Documents for any reason, other than a partial or full release in accordance with the terms thereof or otherwise in accordance with the terms of the Transaction Documents, ceases to be in full force and effect or is declared to be null and void, or (ii) otherwise in accordance with the terms of the Transaction Documents, (x) the Company or any subsidiary of the Company contests the validity or enforceability of any Transaction Document in writing or (y) denies that it has any further liability under any Transaction Document to which it is party, or gives notice to such effect.

4.9 Notice of Event of Default; Remedies. (a) Upon the occurrence of each Event of Default, 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 (1) Business Day after the Company becomes aware of such Event of Default), and (ii) not later than ten (10) Business Days after delivering such notice to the Purchasers, unless such Event of Default has been cured or waived during such ten (10) Business Day period, 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.

(b) In addition to all other rights of the Purchasers and the holders of the Shares contained herein, at any time that an Event of Default has occurred and is continuing, (i) the Dividend Rate (as such term is defined in the Certificate of Designations) on the Shares shall be 16% per annum and (ii) subject to compliance with applicable Nasdaq rules, the Holders of at least a majority of the aggregate Shares then outstanding shall have the right to designate one (1) member of the Company's Board of Directors; provided, that any such designee shall execute a Lock-up Agreement in the form attached hereto as Exhibit E. Notwithstanding anything contained in this Section 4.9(b), if the designation or the right to designate one member to the Company's board of directors violates any applicable Nasdaq rules, or would require stockholder approval under such rules, the Purchasers shall not have the right to designate any member to the Company's Board of Directors pursuant to this Section 4.9(b).

4.10 Additional Warrants.

4.10.1 If all of the Shares are not redeemed prior to the date which is six months after the Closing (the "First Deadline"), then within ten days after the First Deadline, the Company shall issue to the holders of the Shares, on a pro rata basis, based on the original number of Shares issued to such holder or such holder's transferor, warrants to purchase an aggregate number of shares of Common Stock equal to 50% of the number of shares of Common Stock which may be purchased upon exercise of the Warrants issued at the Closing.

4.10.2 If all of the Shares are redeemed after the First Deadline but prior to the first anniversary of the Closing (the "Second Deadline"), then within ten days after all of the Shares have been redeemed, the Company shall issue to the holders of the Shares, on a pro rata basis, based on the original number of Shares issued to such holder or such holder's transferor, warrants to purchase an aggregate number of shares of Common Stock equal to (A) 50% of the number of shares of Common Stock which may be purchased upon exercise of the Warrants issued at the Closing multiplied by (B) a fraction, the numerator of which is the number of days after the First Deadline which have elapsed until all of the Shares have been redeemed by the Company and the denominator is 180.

4.10.3 If all of the Shares are not redeemed prior to Second Deadline, then within ten days after the Second Deadline, the Company shall issue to the holders of the Shares, on a pro rata basis, based on the original number of Shares issued to such holder or such holder's transferor, warrants to purchase an aggregate number of shares of Common Stock equal to 50% of the number of shares of Common Stock which may be purchased upon exercise of the Warrants issued at the Closing.

The warrants issuable pursuant to this Section 4.10 are hereinafter collectively referred to as the "Additional Warrants." All Additional Warrants shall be in the same form as the Warrants, except the exercise period shall be for three years commencing on the date of issuance thereof.

4.11 June 2008 Warrants. The Company and each Purchaser who owns June 2008 Warrants acknowledge and agree that pursuant to Section 4(d) of the June 2008 Warrants if the exercise price of the Warrants at Closing is less than the exercise price of the June 2008 Warrants, the exercise price of the June 2008 Warrants shall be reduced to the exercise price of the Warrants and that under no circumstances shall any further adjustment to the exercise price of the June 2008 Warrants be made pursuant to Section 4(d) thereof. The Company and each Purchaser who owns June 2008 Warrants further acknowledge and agree that from and after the Closing, no additional warrants shall be issued in connection with the June 2008 Notes.

4.12 Dividends on Shares. If the Company does not have sufficient surplus to permit it to lawfully pay dividends on the Shares, the directors of the Company shall take such lawful measures as may be appropriate or necessary in order to enable the Company to pay dividends on the Shares. Except as otherwise required by applicable law, GAAP or applicable SEC rules and regulations, the directors of the Company shall not take any action to increase the capital of the Company to an amount in excess of the aggregate par value of the capital stock issued by the Company. In no event shall the payment of dividends on the Shares be the cause of, or result in, the (i) insolvency of the Company (as defined under applicable law), (ii) impairment of the capital of the Company (as defined under applicable law) or (iii) impairment of the Company's ability to satisfy its obligations as they become due or continue its operations. Accordingly, the payment by the Company of dividends on the Shares shall be accomplished on such terms and conditions as the directors of the Company in good faith determine to be feasible and so as not to result in any of the conditions described in clauses (i), (ii) or (iii) of the immediately preceding sentence.

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 Shares 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 Company shall have filed with NASDAQ an application 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, waived or will be complied with after the Closing in accordance with its terms;

(viii) The Company shall have paid all of the expenses described in the Company's engagement letter, dated October 16, 2008 with the Placement Agent.

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

(x) The Company shall have duly approved and filed with the Secretary of State of the State of Delaware the Certificate of Designations in the form attached hereto as Exhibit C.

(xi) There shall have occurred no material adverse change in the Company's consolidated business or financial condition since June 30, 2008; and

(xii) 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.

ARTICLE VII

CONDITIONS TO EACH PURCHASER'S OBLIGATION TO PURCHASE

7.1 The obligation of each Purchaser hereunder to purchase the Shares 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 Shares 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 D 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, waived or will be complied with after Closing in accordance with its terms;

(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; and

(ix) 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 E.

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 October 16, 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. Notwithstanding anything contained in this Agreement to the contrary, Schedule 1 of this Agreement may be amended by the Company, without the consent of any Purchaser, to add investors purchasing Units pursuant to the 2006 Preemptive Rights.

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 Office Park Drive
Suite 300
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 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. Each party to this Agreement shall use its best efforts to cause the Company to comply with all Nasdaq rules applicable to the transactions contemplated by this Agreement so as to enable, to the fullest extent possible, consummation of the transactions contemplated by this Agreement without the requirement of obtaining stockholder approval thereof. In furtherance of the foregoing, each party agrees to amend the terms of this Agreement, the Certificate of Designations and the Warrants if such amendment is required to comply with applicable Nasdaq rules in order to consummate the transactions contemplated by this Agreement without the requirement of obtaining stockholder approval thereof.

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.

8.14. Arm's Length Negotiations; Counsel for the Company. Each Purchaser expressly represents and warrants to the Company that (a) before executing this Agreement, said Purchaser has fully informed himself of the terms, contents, conditions and effects of this Agreement; (b) said Purchaser has relied solely and completely upon his own judgment in executing this Agreement; (c) said Purchaser has had the opportunity to seek the advice of his own counsel and advisors before executing this Agreement; (d) said Purchaser has acted voluntarily and of his own free will in executing this Agreement; (e) said Purchaser is not acting under duress, whether economic or physical, in executing this Agreement; (f) this Agreement is the result of arm's length negotiations conducted by and among the parties; and (g) said Purchaser acknowledges that the law firm of Lowndes, Drosdick, Doster, Kantor & Reed, P.A. has been retained by the Company to prepare this Agreement as legal counsel for the Company, that Lowndes, Drosdick, Doster, Kantor & Reed, P.A. does not represent any Purchaser in connection with the preparation or execution of this Agreement, and that Lowndes, Drosdick, Doster, Kantor & Reed, P.A. has not given any legal, investment or tax advice to any Purchaser regarding this Agreement. Lowndes, Drosdick, Doster, Kantor & Reed, P.A. is expressly intended as a beneficiary of the representations and warranties of the Purchasers contained in this Section 8.14.

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

PURCHASERS:

See attached Signature Pages

PURCHASER SIGNATURE PAGE TO PREFERRED STOCK AND WARRANT PURCHASE AGREEMENT

1. Date: _____, 2008

2. Consideration: $_____ in cash or by delivery of June 2008 Note (must be at least $25,000).

3. Number of Units: _____ (each Unit consists of one Share and Warrants to purchase 750 shares of Common Stock.

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,

(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 or in the 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; and

(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 _____, 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
_____	Limited Liability Company
_____	Other (please specify type of entity)

Fax Number of Purchaser: _____

E-Mail Address of Purchaser: _____

LIST OF EXHIBITS

EXHIBIT A - FORM OF WARRANT

EXHIBIT B - FORM OF COMPANY COUNSEL OPINION

EXHIBIT C - CERTIFICATE OF DESIGNATIONS

EXHIBIT D - FORM OF BRINGDOWN CERTIFICATE

EXHIBIT E - FORM OF LOCK-UP AGREEMENT

List of Schedules
to
Preferred 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 PREFERRED STOCK AND WARRANT PURCHASE AGREEMENT

LIST OF INVESTORS

Investor Name	Number of Units	Number of Shares of Series A Preferred Stock included in Units Being Purchased at Closing	Number of Warrants to Purchase Shares of Common Stock included in Units Being Purchased at Closing	Purchase Price
Michael Brown	150.00	150.00	112,500	$750,000
Todd A. Tumbleson IRA	125.96	125.96	94,470	$629,792
Tebo Capital LLC SEP IRA	6.16	6.16	4,621	$30,794
Tebo Capital LLC	71.85	71.85	53,888	$359,263
Joseph C. Higday Revocable Trust	100.00	100.00	75,000	$500,000
J. Shawn Chalmers Revocable Trust	205.29	205.29	153,968	$1,026,466
Orion Investment Partners I, LLC	203.97	203.97	152,978	$1,019,849
David G. & Lisa Suzanne Orscheln Trust UTA 8/22/01	50.00	50.00	37,500	$250,000
Cascoh, Inc.	205.29	205.29	153,968	$1,026,466
XXL Investments, LLC	30.00	30.00	22,500	$150,000
Bicknell Family Holding Company, LLC	270.00	270.00	202,500	$1,350,000
Martin C. Bicknell	30.00	30.00	22,500	$150,000
Mike Buckman	5.00	5.00	3,750	$25,000
Cynthia M. Mason and Robert L. Love, joint tenants	10.00	10.00	7,500	$50,000
Daniel R. Henry	29.92	29.92	22,440	$149,600
Ron Loew	20.00	20.00	15,000	$100,000
Total	1,513.44	1,513.44	1,135,083	$7,567,230

EXHIBIT A
TO
PREFERRED STOCK 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. _____ **_____, 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 one (1) year after the date of this Warrant, and terminating on the third anniversary of the date of this Warrant (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 Preferred Stock and Warrant Purchase Agreement dated as of _____, 2008, by and among the Company and the Purchasers listed on Schedule 1 thereto (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, commencing one (1) year after the date of this Warrant and terminating on the Termination Date 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 Company shall, at least ten (10) days prior to the record date for determining holders of the Common Stock for purposes of such action, send to each

Holder a notice of such proposed action. 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 describe such action.

(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 of 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) NASDAQ Limitation. Notwithstanding any other provision in this Section 4 to the contrary, if a reduction in the Exercise Price pursuant to this Warrant 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.

(e) Notice of Adjustment. Whenever the Exercise Price or the number of shares of Common Stock and other property, if any, issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall deliver to the holders of the Warrants 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 this Warrant after giving effect to such adjustment.

(f) 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 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.

(g) 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 Securities Act of 1933, as amended (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 Office Park Drive
Suite 300
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: _____, 2008

By: _____
Name: John C. Oakley
Title: 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 face 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 10.3

Execution Version

LOCK-UP AGREEMENT

THIS LOCK-UP AGREEMENT (the "**Agreement**") is made and entered into on _____, 2008 between the person set forth on Schedule A to this Agreement (each, a "**Holder**") who is executing this Agreement 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 Preferred Stock and Warrant Purchase Agreement, dated as of _____, 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 this 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 shares of the Company's Series A Preferred Stock have been redeemed (the period from the date of this Agreement to the date on which all outstanding shares of the Company's Series A Preferred Stock have been redeemed 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), (iii) as set forth in Section 17 below and (iv) as approved in writing by the Placement Agent (as defined in the Purchase Agreement). 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 by 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 Investors holding a majority of the then outstanding shares of the Company's Series A Preferred Stock 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, director or key employee of the Company or its subsidiaries.

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 pursuant to this Section 17 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.

Signature

Please Print 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
Zdenko Grajcer
Paul Streitz

Exhibit 99.1

NEXXUS LIGHTING ANNOUNCES CLOSING OF PRIVATE PLACEMENT OF PREFERRED STOCK AND WARRANTS

- Aggregate consideration of approximately $7.6 million, including $4.0 million in cash and cancellation of $3.6 million of indebtedness and accrued interest
- Supports launch of Array Lighting LED replacement bulb line and expansion of Selective Heat Sink (SHS™) technology

FOR IMMEDIATE RELEASE

For more information: John Oakley, Chief Financial Officer, Nexxus Lighting, Inc. Phone: 704-405-0416

CHARLOTTE, NC – November 13, 2008 — Nexxus Lighting, Inc. (NASDAQ Capital Market: NEXS) today announced that it has closed a private placement of convertible preferred stock and warrants to accredited investors, for aggregate consideration of approximately $7.6 million, consisting of approximately $4.0 million in cash and cancellation of approximately $3.6 million in principal amount of indebtedness and accrued interest. The net proceeds will be used for working capital and general corporate purposes, to support the launch of the Company's new Array™ Lighting product and to expand utilization of the Company's patent pending Selective Heat Sink (SHS™) technology across product lines.

Mike Bauer, President and CEO of Nexxus Lighting, stated "Over the course of the last eighteen months we have been working very hard to execute our strategy. Through internal changes and recent acquisitions, we have created a dynamic Company which we believe is well positioned to capitalize on the growing demand for white light LED lighting systems for general lighting applications. This infusion of capital is expected to support our operations and growth objectives."

Mr. Bauer continued "We are pleased to be able to complete a transaction with several existing investors who are excited about our Company, our potential and our new Array Lighting LED lamp line that features Nexxus Lighting's patent-pending Selective Heat Sink (SHS™) technology."

Aggregate consideration of approximately $7.6 million resulted from the sale of approximately 1,513 units at a price of $5,000 per unit, with each unit consisting of one share of Series A convertible preferred stock and warrants to purchase 750 shares of common stock at an exercise price of $6.40 per share expiring three years from the date of issuance. Under certain conditions, warrants to purchase up to 750 additional shares of the Company's common stock per unit may be issued. The preferred stock is redeemable by the Company at any time and holders are initially entitled to dividends at the rate of 8% per annum, subject to increase. Commencing four years after issuance, at the option of the holder, the preferred stock is convertible into shares of common stock at a conversion price of no less than $6.59.

The securities offered and sold by the Company in this private placement will not and have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission ("SEC") or an applicable exemption from registration requirements.

The Company also announced today that it has filed a request with the SEC to withdraw its Registration Statement on Form S-1 filed with the SEC on August 28, 2008 relating to a proposed follow-on public offering of its common stock.

This notice is issued pursuant to Rule 135c under the Securities Act and shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of these securities under the securities laws of any such state.

About Nexxus Lighting, Inc. (www.nexxuslighting.com)

Nexxus Lighting is a leader in advanced lighting technology, including solid-state LED and fiber optic lighting systems and controls used in commercial, architectural, signage, swimming pool, entertainment and retail lighting. Nexxus Lighting sells its products through its Array Lighting, SV Lighting, Advanced Lighting Systems, Lumificient and Nexxus Lighting Pool & Spa business units under the Array™, Savi®, eLum™, LiveLED™, Hyperion®, Super Vision® Fiber Optics and Advanced Lighting Systems™ Fiber Optics brand names.

Nexxus Lighting – *Life's Brighter*™

Certain of the above statements contained in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Reference is made to Nexxus Lighting's filings under the Securities Exchange Act for factors that could cause actual results to differ materially. Nexxus Lighting undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those indicated in the forward-looking statements as a result of various factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

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