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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 30, 2019

WORKHORSE GROUP INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

000-53704
(Commission File Number)

26-1394771
(IRS Employer
Identification Number)

100 Commerce Drive, Loveland, Ohio 45140
(Address of principal executive offices) (zip code)

513-297-3640
(Registrant's telephone number, including area code)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Subscription Agreement

On April 30, 2019, Workhorse Group Inc. (the “Company”) entered into a subscription agreement (the “Subscription Agreement”), with certain investors (the “Investors”) pursuant to which the Company agreed to issue and sell, in a registered public offering by the Company directly to the Investors (the “Registered Direct Offering”), 3,957,432 shares of Common Stock. The purchase price per share was \$0.74.

The closing of the Registered Direct Offering is expected to take place on May 1, 2019. The Subscription Agreement contains customary representations, warranties and agreements by us and customary conditions to closing. The representations, warranties and covenants contained in the Subscription Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement and may be subject to limitations agreed upon by the contracting parties.

The net proceeds to the Company are expected to be approximately \$2.9m, after deducting estimated expenses payable by the Company associated with the Registered Direct Offering. The Company expects to use the net proceeds from this offering for working capital, general corporate purposes and repayment of debt and other obligations.

The Registered Direct Offering is being made pursuant to the Company’s shelf registration statement on Form S-3 (Registration No. 333-213100), which was declared effective by the Securities and Exchange Commission on December 23, 2016, including the prospectus contained therein, as the same has been supplemented, as well as a prospectus supplement to be filed with the SEC in connection with the Company’s takedown relating to the Registered Direct Offering.

A copy of the legal opinion of Taft Stettinius & Hollister LLP relating to the legality of the issuance and sale of the shares of Common Stock in the Registered Direct Offering is filed as Exhibit 5.1 hereto.

Amendment to Credit Agreement

On April 30, 2019, the Company entered into the Third Amendment to Credit Agreement (the “Marathon Third Amendment”), among the Company, as borrower, certain affiliates of Marathon Asset Management, LP, as lenders (collectively, with their permitted successors and assignees, the “Lenders”), and Wilmington Trust, National Association, as the agent (“Wilmington”) amending certain terms of the Credit Agreement, dated as of December 31, 2018 (as amended, restated, amended and restated or otherwise modified prior to the date hereof), between the Company, the Lenders and Wilmington. The Marathon Third Amendment amended the minimum liquidity covenant, providing that at least \$4 million must be maintained at all times at or after May 31, 2019 rather than at all times on or after April 30, 2019. Unless the Company fails to maintain minimum liquidity as of the last day of any calendar month, the Company may cure a failure to maintain minimum liquidity by increasing liquidity to \$4,000,000 within five business days of the occurrence.

The description of the terms and conditions of the agreements described above do not purport to be complete and are qualified in their entirety by the full text of the form of the agreements described above, which are filed as exhibits to this Form 8-K.

This Current Report on Form 8-K 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 or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Forward-Looking Statements

Certain statements in this Current Report on Form 8-K are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about the expected settlement of the sale and purchase of securities described herein and the Company’s receipt of net proceeds therefrom. For such statements, the Company claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from the Company’s expectations. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the Company’s ability to satisfy applicable closing conditions under the Underwriting Agreement. Additional factors that could cause actual results to differ materially from those stated or implied by the Company’s forward-looking statements are disclosed in the Prospectus Supplement and accompanying prospectus and the Company’s reports filed with the Securities and Exchange Commission.

Item 9.01. Exhibits.

Exhibit No.	Description
5.1	<u>Opinion of Taft Stettinius & Hollister LLP</u>
10.1	<u>Form of Subscription Agreement</u>
10.2	<u>Third Amendment to Credit Agreement, dated as of April 30, 2019, by and among Workhorse Group Inc., as borrower, Marathon Structured Product Strategies Fund, LP, Marathon Blue Grass Credit Fund, LP, Marathon Centre Street Partnership, L.P. and TRS Credit Fund, LP, as lenders, and Wilmington Trust, National Association, as the agent</u>
23.1	<u>Consent of Taft Stettinius & Hollister LLP (included in Exhibit 5.1)</u>

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.

Date: April 30, 2019

WORKHORSE GROUP INC.

By: /s/ Paul Gaitan
Name: Paul Gaitan
Title: Chief Financial Officer

Taft Stettinius & Hollister LLP
425 Walnut Street, Suite 1800
Cincinnati, Ohio 45202

April 30, 2019

Workhorse Group Inc.
100 Commerce Drive
Loveland, Ohio 45140

Ladies and Gentlemen:

We have acted as counsel to Workhorse Group Inc., a Nevada corporation (the “Company”), in connection with the sale by the Company of 3,957,432 shares (the “Shares”) of the Company’s common stock, par value \$0.001 (the “Common Stock”), pursuant to the Subscription Agreement, dated April 30, 2019 (the “Subscription Agreement”), between the Company and the investor named therein. Capitalized terms used herein and not defined herein have the meanings assigned to them in the Subscription Agreement.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including: (a) the Articles of Incorporation of the Company, as amended through the date hereof; (b) the Bylaws of the Company, as amended through the date hereof; (c) the resolutions adopted by the Board of Directors of the Company on April 29, 2019; (d) the Registration Statement and (e) the Subscription Agreement. As to various questions of fact material to this opinion, we have relied upon representations of officers or directors of the Company and documents furnished to us by the Company without independent verification of their accuracy.

In rendering this opinion, we have assumed, with your consent and without independent investigation or verification, the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as duplicates or copies.

Based on the foregoing and subject to the qualifications set forth herein and subject to compliance with applicable state securities laws, we are of opinion that the Shares, when issued and delivered to and paid for by the investor pursuant to the Subscription Agreement, will be validly issued, fully paid and nonassessable.

We do not express any opinion with respect to the laws of any jurisdiction other than the laws of the State of New York and the federal laws of the United States of America.

We are aware that we are referred to under the heading “Legal Matters” in the prospectus supplement filed in connection with the Subscription Agreement. We hereby consent to such use of our name therein and to the filing of this opinion as Exhibit 5.1 to the Company’s Current Report on Form 8-K filed on or about April 30, 2019, and to the incorporation by reference of this opinion into the Registration Statement. In giving this consent, we do not hereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the SEC promulgated thereunder.

Very truly yours,

/s/ Taft Stettinius & Hollister LLP
Taft Stettinius & Hollister LLP

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this “**Subscription Agreement**”) is dated as of April 30, 2019, by and between **Workhorse Group Inc.**, a Nevada corporation (the “**Company**”), and the investor identified on the signature page hereto (including its successors and assigns, the “**Investor**”).

RECITALS

WHEREAS, subject to the terms and conditions set forth in this Subscription Agreement and pursuant to the Company’s effective registration statement under the Securities Act of 1933, as amended (the “**Securities Act**”), on Form S-3 (File No. 333-213100), effective as of December 23, 2016 (as amended and/or supplemented from time to time, the “**Registration Statement**”), the Company desires to issue and sell to the Investor, and the Investor desires to purchase from the Company, common shares of the Company (the “**Securities**”) as more fully described in this Subscription Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Subscription Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Investor hereby agree as follows:

1. Subscription.

(a) The Investor agrees to buy, and the Company agrees to sell and issue to the Investor, an aggregate of \$2,000,000 of Securities, with the Investor purchasing the Securities in the amount equal to the Investor’s subscription amount at the price per share as set forth on the signature page hereto executed by the Investor (the “**Subscription Amount**”).

(b) The Securities have been registered on the Registration Statement. The Registration Statement has been declared effective by the Securities and Exchange Commission (the “**SEC**”) and is effective on the date hereof. A final prospectus supplement is attached hereto as Exhibit A and will be delivered to the Investor as required by law.

(c) The completion of the purchase and sale of the Securities (the “**Closing**”) shall take place remotely by facsimile transmission or other electronic means as the parties may mutually agree, on May 1, 2019, or such other date as agreed between the Company and the Investor. At the Closing, (i) the Investor shall pay the Subscription Amount by wire transfer of immediately available funds to the Company to such bank account or accounts as shall be designated by the Company, (ii) the Company shall cause the Securities to be delivered to the Investor and shall provide the Investor with a certificate signed by a duly authorized officer confirming: (a) that the representations and warranties of the Company set forth in Section 2 are true and correct as of the Closing and (b) the absence of any material adverse change in the Company, its business, or prospects since the date of this Subscription Agreement, (iii) the Company shall deliver such certificates and opinions of counsel as are customary for registered direct transactions as may be reasonably requested by the Investor and (iv) the Company will have entered into that Third Amendment to the Credit Agreement by and between the Company, Wilmington Trust and Marathon Asset Management LP.

2. Representations and Warranties of the Company. The Company represents and warrants as of the date hereof to the Investor as follows:

(a) it has the full corporate power and authority to enter into this Subscription Agreement and to perform all of its obligations hereunder;

(b) this Subscription Agreement has been duly authorized and executed by, and when delivered in accordance with the terms hereof, will constitute a valid and binding agreement of, the Company enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally or subject to general principles of equity;

(c) the execution and delivery of this Subscription Agreement and the consummation of the transactions contemplated hereby do not conflict with or result in a breach of the Company’s charter or by-laws, as amended or restated to date, or any other organizational documents;

(d) the Securities, when issued and paid for in accordance with the terms of this Subscription Agreement, will be duly authorized, validly issued, fully paid and non-assessable;

(e) the Registration Statement, at the time it became effective, did not, and as of the time hereof and as of the Closing, does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(f) this Subscription Agreement, the Registration Statement, the Securities, and any associated materials and statements materially comply with all applicable laws, rules, and regulations, including without limitation United States federal and state securities laws; and

(g) the Securities are being offered and sold pursuant to the Company's effective registration statement under the Securities Act of 1933, as amended (the "**Securities Act**"), on Form S-3 (File No. 333-213100), effective as of December 23, 2016.

3. Representations, Warranties and Acknowledgments of the Investor:

(a) The Investor hereby represents and warrants as of the date hereof to the Company as follows:

(i) it has the full right, power and authority to enter into this Subscription Agreement and to perform all of its obligations hereunder;

(ii) this Subscription Agreement has been duly authorized and executed by the Investor and, when delivered in accordance with the terms hereof, will constitute a valid and binding agreement of the Investor enforceable against the Investor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights and remedies of creditors generally or subject to general principles of equity;

(iii) the execution and delivery of this Subscription Agreement and the consummation of the transactions contemplated hereby do not conflict with or result in a breach of the Investor's governing or organizational documents;

(iv) the Investor has had full access to the prospectus included in the Registration Statement and the Company's periodic reports and other information incorporated by reference therein, and was able to read, review, download and print such materials, if desired;

(v) it has had no position, office or other material relationship within the past three years with the Company (which, for the avoidance of doubt, excludes ownership of Securities);

(vi) it is not a member of the Financial Industry Regulatory Authority, Inc. ("**FINRA**") as of the Closing;

(vii) the Investor has taken no action which would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby;

(viii) the Investor is not relying on the Company or any of its respective employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Securities, and the Investor has relied on the advice of, or has consulted with, only its own advisors; and

(ix) neither the Investor nor any group of investors (as identified in a public filing made with the SEC) of which the Investor is a part in connection with the offering of the Securities, acquired, or obtained the right to acquire, twenty percent (20%) or more of the Company's common shares (or securities convertible into or exercisable for common shares) or the voting power of the Company on a post-transaction basis.

(b) The Investor hereby also represents and warrants as of the date hereof to the Company that, other than the transactions contemplated hereunder, the Investor has not, directly or indirectly, nor has any person acting on behalf of or pursuant to any understanding with the Investor, executed any transactions in securities of the Company, including "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act ("**Short Sales**"), during the period commencing from the time that the Investor first became aware of the proposed transactions contemplated hereunder until the date hereof (the "**Discussion Time**"). The Investor has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

(c) The Investor acknowledges and agrees that the issuance by the Company of the Securities will be conditional upon receipt of all necessary regulatory approvals, including those of the Nasdaq Capital Market.

4. Miscellaneous.

(a) Each party shall pay the fees and expenses of its advisors, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Subscription Agreement. The Company shall pay all transfer agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Investor.

(b) This Subscription Agreement constitutes the entire understanding and agreement among the parties with respect to its subject matter, and there are no agreements or understandings with respect to the subject matter hereof which are not contained in this Subscription Agreement.

(c) This Subscription Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and shall become effective when counterparts have been signed by each party and delivered to the other party hereto, it being understood that the parties need not sign the same counterpart. Execution may be made by delivery by facsimile or by e-mail delivery of a ".pdf" format data file.

(d) The provisions of this Subscription Agreement are severable and, in the event that any court or officials of any regulatory agency of competent jurisdiction shall determine that any one or more of the provisions or part of the provisions contained in this Subscription Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Subscription Agreement and this Subscription Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision, or part of such provision, had never been contained herein, so that such provisions would be valid, legal and enforceable to the maximum extent possible, so long as such construction does not materially adversely affect the economic rights of either party hereto.

(e) All communications hereunder, except as may be otherwise specifically provided herein, shall be in writing and shall be mailed, hand delivered, sent by a recognized overnight courier or sent via facsimile or by e-mail delivery and confirmed by letter, to the party to whom it is addressed at the following addresses or such other address as such party may advise the other in writing:

To the Company: as set forth on the signature page hereto.

To the Investor: as set forth on the Investor's signature page hereto.

All notices hereunder shall be effective upon receipt by the party to which it is addressed.

(f) No provision of this Subscription Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Investor, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Subscription Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

(g) This Subscription Agreement shall be governed by and interpreted in accordance with the laws of the State of New York for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Subscription Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

WORKHORSE GROUP INC.

By: _____

Name: Duane Hughes

Title: CEO

Address: 100 Commerce Dr., Loveland, Ohio 45140

[Company Signature Page to Subscription Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Subscription Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Investor: _____

Signature of Authorized Signatory of Investor: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Investor:

Address for Delivery of Securities to Investor (if not same as address for notice) / DWAC Account Number:

Subscription Amount: _____

Price per Common Share: \$ _____

Common Shares: _____

EIN Number:

[Investor Signature Page to Subscription Agreement]

Exhibit A

Attached

THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT** (this "Amendment") is made and entered into as of April 30, 2019 by and among Workhorse Group Inc., a Nevada corporation (the "Borrower"), Wilmington Trust, National Association, in its capacity as agent (the "Agent"), and the Lenders (as defined below) party hereto.

WHEREAS, the Borrower, the financial institutions from time to time party thereto as lenders (collectively, with their permitted successors and assignees, the "Lenders"), and the Agent are party to that certain Credit Agreement, dated as of December 31, 2018 (as amended by that certain First Amendment to Credit Agreement, dated as of March 13, 2019, and that certain Second Amendment to Credit Agreement, dated as of April 1, 2019, the "Credit Agreement"), pursuant to which the Lenders have extended credit to the Borrower on the terms set forth therein;

WHEREAS, pursuant to Section 10.1 of the Credit Agreement, the Credit Agreement may be amended by an instrument in writing signed by the Borrower and the Lenders; and

WHEREAS, the Borrower and the Lenders desire to amend certain provisions of the Credit Agreement.

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

1. **Definitions; Loan Document.** Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

2. **Amendment to Section 7.19.1.** Section 7.19.1 of the Credit Agreement is hereby amended and restated as follows:

"7.19.1 Liquidity. Not suffer or permit the Liquidity of the Borrower and its Subsidiaries to be less than \$4,000,000 at any time at or after May 31, 2019; provided that if Liquidity of the Borrower and its Subsidiaries is less than \$4,000,000 at any time at or after May 31, 2019, the Borrower shall provide written notice thereof to the Agent within one Business Day of such occurrence, and, other than with respect to any such occurrence on the last day of any calendar month, if Liquidity of the Borrower and its Subsidiaries is increased to \$4,000,000 on or prior to five Business Days after such occurrence, then there shall be no breach for such occurrence under this Section 7.19.1; provided further that if the Liquidity of the Borrower and its Subsidiaries is less than \$4,000,000 at any time prior to May 31, 2019, the Borrower shall provide written notice thereof to Agent within one Business Day of each such occurrence."

3. **Conditions to Effectiveness of Amendment.** This Amendment shall become effective upon receipt by the Agent and the Lenders of counterpart signatures to this Amendment duly executed and delivered by the Agent, the Lenders and the Borrower.

4. **Expenses.** The Borrower agrees to pay on demand all expenses of the Lender (including, without limitation, the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Lenders, and Duane Morris LLP, counsel to the Agent) incurred in connection with the negotiation, preparation, execution and delivery of this Amendment.

5. **Representations and Warranties.** The Borrower represents and warrants to the Lenders and the Agent as follows:

(a) After giving effect to this Amendment, the representations and warranties of the Loan Parties contained in the Credit Agreement or any other Loan Document shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of the date hereof (or as of a specific earlier date if such representation or warranty expressly relates to an earlier date).

(b) After giving effect to this Amendment, no Default or Event of Default under the Credit Agreement is continuing.

6. **No Implied Amendment or Waiver.** Except as expressly set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Agent or the Lenders under the Credit Agreement or the other Loan Documents, or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Credit Agreement or the other Loan Documents, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of the Agent or the Lenders to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Credit Agreement or the other Loan Documents.

7. **Release.** The Borrower hereby acknowledges and agrees that: (a) to its knowledge neither it nor any of its Affiliates have any claim or cause of action against any Lender or the Agent (or any of their respective Affiliates, officers, directors, employees, attorneys, consultants or agents) under the Credit Agreement as of the date hereof and (b) to its knowledge, as of the date hereof, the Lenders and the Agent have heretofore properly performed and satisfied in a timely manner all of their respective obligations to the Borrower under the Credit Agreement. Notwithstanding the foregoing, the Agent and the Lenders wish to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of the Agent's or the Lenders' rights, interests and/or remedies under the Credit Agreement. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, the Borrower (for itself and its Affiliates and the successors and assigns of each of the foregoing) (each a "Releasor") and collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release and forever discharge the Agent and the Lenders and each of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents (each a "Released Party" and collectively, the "Released Parties") from any and all debts, claims, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, in each case that exist or have occurred on or prior to the date of this Amendment which any Releasor has heretofore had or now shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, except for a Released Party's gross negligence or willful misconduct as determined by a final, nonappealable judgment of a court of competent jurisdiction, prior to the date hereof arising out of, connected with or related in any way to the Credit Agreement, or any act, event or transaction related or attendant thereto, or the Agent's or the Lenders' agreements contained therein, or the possession, use, operation or control in connection therewith of any of the assets of the Borrower, or the making of any advance thereunder, or the management of such advance, in each case on or prior to the date of this Amendment.

8. **Counterparts.** This Amendment may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by e-mail (e.g., "pdf" or "tiff") or fax transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

9. **Governing Law.** THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PREPARED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

WORKHORSE GROUP INC.
as the Borrower

By: /s/ Duane A. Hughes
Name: Duane A. Hughes
Title: CEO

MARATHON STRUCTURED PRODUCT STRATEGIES FUND, LP
MARATHON BLUE GRASS CREDIT FUND, LP
MARATHON CENTRE STREET PARTNERSHIP, L.P.
TRS CREDIT FUND, LP
as Lenders

By: Marathon Asset Management LP, the investment
advisor to each of the entities listed above

By: /s/ Louis Hanover
Name: Louis Hanover
Title: CIO, Co-Managing Partner

WILMINGTON TRUST, NATIONAL ASSOCIATION
as the Agent

By: /s/ Jamie Roseberg
Name: Jamie Roseberg
Title: Banking Officer

Signature Page to Third Amendment to Credit Agreement
