

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): May 3, 2016

FLUX POWER HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation)

000-25909
(Commission File Number)

86-0931332
(IRS Employer
Identification No.)

985 Poinsettia Avenue, Suite A, Vista, California
(Address of Principal Executive Offices)

92081
(Zip Code)

877-505-3589
(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))
-

Item 1.01 Entry Into A Material Definitive Agreement.

In connection with the private placement of up to 77,500,000 shares of our Common Stock, par value \$0.001 ("Shares") to selected accredited investors for an aggregate amount of \$3,100,000, or \$0.04 per share of Common Stock ("Share") (the "Offering"), on May 5, 2016, we executed and accepted a subscription agreement ("Subscription Agreement") from Esenjay Investments LLC ("Esenjay"), our controlling shareholder and our primary credit line holder. Pursuant to the Subscription Agreement, on May 5, 2016, Esenjay purchased an aggregate of 33,750,000 Shares in exchange for the settlement of debt owed to Esenjay by our wholly-owned subsidiary, Flux Power, Inc., in the amount of \$1,350,000 ("Outstanding Debt"). As a result, Esenjay owns approximately 67% of our issued and outstanding Common Stock.

Michael Johnson, our director, is a director and shareholder of Esenjay. As further described in our Form 10-K for the fiscal year ended June 30, 2015, Esenjay is our primary credit line holder.

The foregoing description of the terms of the Subscription Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the agreement, a copy of which is filed hereto as Exhibit 10.1.

Item 3.02 Unregistered Sales of Equity Securities.

On May 5, 2016, we completed an initial closing of the Offering, pursuant to which we sold an aggregate of 46,250,000 shares of Common Stock, at \$0.04 per share, for an aggregate purchase price of \$1,850,000 to two (2) accredited investors. The purchase price of \$500,000 for 12,500,000 Shares was paid in the form of cash. As disclosed under Item 1.01 of this report, Esenjay participated in the Offering as an investor by purchasing an aggregate of 33,750,000 Shares in exchange for the settlement of the Outstanding Debt. The information provided in response to Item 1.01 of this report is incorporated by reference into this Item 3.02.

The Shares offered and sold in the Offering have not been registered under the Securities Act of 1933, as amended ("Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. The Shares were offered and sold to the accredited investors in reliance upon exemptions from registration pursuant to Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D.

Item 8.01 Other Events.

The information relating to the Offering under Items 1.01 and 3.02 is being provided pursuant to Rule 135c under the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Subscription Agreement *

*filed herewith

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.

Flux Power Holdings, Inc.,
A Nevada Corporation

Dated: May 9, 2016

/s/ Ron Dutt
Ron Dutt, Chief Executive Officer and Interim Chief
Financial Officer

**INSTRUCTIONS TO PROSPECTIVE INVESTORS
OF
FLUX POWER HOLDINGS, INC.,
a Nevada corporation**

After you have reviewed the Subscription Agreement ("Subscription Agreement"), and you wish to complete the proposed transaction, take the following actions with respect to the documents set forth below (the "Transaction Documents"):

1. Please sign the Subscription Agreement.
 2. Please complete the Investor Suitability Questionnaire.
-

**FLUX POWER HOLDINGS, INC.
SUBSCRIPTION AGREEMENT**

THIS SUBSCRIPTION AGREEMENT (this "*Agreement*"), dated April 28, 2016, is entered into by and between Flux Power Holdings, Inc., a Nevada corporation (the "*Company*"), and the person or entity executing the Agreement (the "*Investor*"). In this Agreement, the pronoun "it" means "he," "she," or "it," as appropriate.

A. The Company is offering to selected "accredited investors" up to 77,500,000 shares of the Company's Common Stock, par value \$0.001 ("*Shares*") for aggregate amount of \$3,100,000, or \$0.04 per Share (the "*Offering*"), subject to the terms, conditions, acknowledgements, representations, and warranties stated herein; however, the Company reserves the right to accept subscriptions for lesser amounts as well as the right to reject in whole or in part subscriptions received during the Offering.

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

C. As part of this Offering, Esenjay Investments LLC ("*Esenjay*"), a controlling shareholder of the Company which owns approximately 65% of the Company's issued and outstanding common stock and our primary credit line holder, has agreed to purchase an aggregate of 33,750,000 Shares in exchange for forgiveness of debt owed to Esenjay by the Company's wholly-owned subsidiary, Flux Power, Inc., in the amount of \$1,350,000 ("*Outstanding Debt*").

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

**ARTICLE I
DEFINITIONS**

1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated:

"*Aggregate Purchase Price*" means the product of the aggregate number of Shares subscribed by the Investor under this Agreement and purchase price of \$0.04 per Share.

"*Agreement*" has the meaning set forth in the Preamble.

"*Business Day*" means any day other than Saturday, Sunday, any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"*Company*" has the meaning set forth in the Preamble.

"*Common Stock*" means common stock of the Company, par value \$0.001.

"*Disclosure Materials*" means the SEC Documents and this Agreement.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

“Investor” has the meaning set forth in the Preamble.

“Investor Suitability Questionnaire” means the Investor Suitability Questionnaire, in substantially set forth herein as “Exhibit A” as completed and executed by the Investor.

“Material Adverse Effect” means (i) a material adverse effect on the results of operations, assets, business, prospects or financial condition of the Company or (ii) material and adverse impairment of the Company’s ability to perform its obligations under any of the Transaction Documents.

“Regulation D” has the meaning set forth in the Preamble.

“Rule 144,” “Rule 415,” and “Rule 424” means Rule 144, Rule 415 and Rule 424, respectively, promulgated by the SEC pursuant to the Securities Act, as such Rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

“SEC” means the United States Securities and Exchange Commission.

“SEC Documents” has the meanings set forth in Section 3.4.

“Securities Act” has the meaning set forth in the Recitals.

“Shares” means shares of the Company’s Common Stock.

“Transaction Documents” means this Agreement, the schedules and exhibits attached hereto, including but not limited to the Investor Suitability Questionnaire.

ARTICLE II PURCHASE AND SALE

2. Offering and Purchase of the Shares.

2.1 Offering. The Company is offering to sell up to 77,500,000 Shares for aggregate amount of \$3,100,000 (“Offering Amount”), or \$0.04 per Share (the “Offering”). The Company has the sole discretion to increase the Offering Amount. The minimum investment amount in this Offering per Investor is \$25,000, however, the Company reserves the right to accept subscriptions for lesser amounts as well as the right to reject in whole or in part subscriptions received during the Offering.

2.2 Subscription. The Investor hereby irrevocably subscribes to purchase from the Company, upon the terms and conditions stated in this Agreement, that aggregate number of Shares for the Aggregate Purchase Price set forth on such Investor’s signature page to this Agreement.

2.3 Investor Deliverables. Promptly upon execution of this Agreement, the Investor agrees to deliver to Company (a) an executed Agreement, (b) a completed Investor Suitability Questionnaire, attached hereto as Exhibit A to the Company (“Investor Suitability Questionnaire”), and (c) the Aggregate Purchase Price set forth on such Investor’s signature page to this Agreement in United States dollars and in immediately available funds, by wire transfer to the Company pursuant to the instructions provided by the Company (collectively, referred to as the “Investor Deliverables”).

2.4 Acceptance or Rejection of Subscription. The Investor understands and agrees that the Company reserves the right, in its sole discretion, to reject this subscription, in whole or in part if (a) the Investor is not an "accredited investor" or otherwise fails to meet the investor suitability requirements as set forth in the Investor Suitability Questionnaire, (b) fails to deliver payment of the Aggregate Purchase Price, or (c) fails to deliver a completed Investor Deliverables, until there has been notice of acceptance of the Investor’s subscription. In the event of rejection of this subscription, the Investor’s funds (without interest) or, in the event of a partial rejection a check in the amount of the rejected portion, will be promptly issued to the Investor.

2.5 Closing. The issuance of up to 77,500,000 Shares shall take place promptly after the acceptance of the subscription by the Company and the Company has received Investors Deliverables (the date on which such Shares are issued shall be referred to herein as the “*Initial Closing Date*”); provided that if Investor is purchasing the Shares subsequent to the Initial Closing Date, the issuance of the Shares shall occur upon payment of the Aggregate Purchase Price by Investor and acceptance of Investor’s Subscription Agreement by the Company. The date on which the Shares are issued, whether on the Initial Closing Date or thereafter, shall be referred to herein as the “*Closing Date*,” provided, however, that no sales to subsequent Investors may be made after May 13, 2016, 5:00 pm (PST). Following the Closing Date, the Company will promptly deliver to the Investor:

(a) an "accepted" Subscription Agreement; and

(b) the stock certificate representing the number of Shares purchased by the Investor, as set forth on the Investor’s signature page to this Agreement.

2.5 No Escrow or Minimum Investment Amount. No escrow or minimum investment amount will be used for the offering.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF COMPANY

3. Representations and Warranties of the Company. Except as disclosed in the SEC Documents and as otherwise stated to the contrary herein, the Company hereby represents and warrants to the Investor as of the date hereof, and, if this Agreement is accepted by the Company in whole or in part, will be true and correct on the Closing Date that:

3.1 Authorization. All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization, execution and delivery of this Agreement has been taken. The Company has the requisite corporate power to enter into this Agreement and carry out and perform its obligations under the terms of this Agreement. The Company will have the requisite corporate power to issue and sell the Shares. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

3.2 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to carry on its business as now conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a Material Adverse Effect.

3.3 Outstanding Debt. Michael Johnson, the Company's director, is the director and sole shareholder of Esenjay. As part of this Offering, Esenjay, a controlling shareholder of the Company which owns approximately 65% of the Company's issued and outstanding Common Stock and our primary credit line holder, has agreed to purchase an aggregate of 33,750,000 Shares in exchange for forgiveness of the Outstanding Debt. Concurrently with the Initial Closing Date, Esenjay will execute a subscription agreement in substantially the form of this Agreement to convert its Outstanding Debt into the Shares.

3.4 Delivery of SEC Documents; Business. The Company has made available to the Investor through the SEC's EDGAR system, true and complete copies of the Company's most recent Annual Report on Form 10-K for the fiscal year ended June 30, 2015 and Form 10-Qs for the quarters ended September 30, 2015 and December 31, 2015, and all other reports filed by the Company pursuant to the Exchange Act since the filing of the Form 10-Q for the quarter ended December 31, 2015, and prior to the date hereof (collectively, the "*SEC Documents*"). The Company is engaged in all material respects only in the business described in the SEC Documents and the SEC Documents contain a complete and accurate description of the business of the Company in all material respects.

3.5 No Conflict with Other Instruments. The execution, delivery and performance of this Agreement, the issuance and sale of the Shares to be sold by the Company under this Agreement and the consummation of the actions contemplated by this Agreement will not (a) result in any violation of, be in conflict with, or constitute a material default under, with or without the passage of time or the giving of notice (i) any provision of the Company's Articles of Incorporation, as amended, or Bylaws, as amended (or similar governing documents); (ii) any provision of any judgment, arbitration ruling, decree or order to which the Company is a party or by which the Company is bound; or (iii) any bond, debenture, note or other evidence of indebtedness, or any material lease, contract, mortgage, indenture, deed of trust, loan agreement, joint venture or other agreement, instrument or commitment to which the Company is a party or by which the Company or its properties is bound; or (b) result in the creation or imposition of any lien, encumbrance, claim, security interest or restriction whatsoever upon any of the properties or assets of the Company or any acceleration of indebtedness pursuant to any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or any indenture, mortgage, deed of trust or any other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject.

3.6 Capitalization. As of April 15, 2015, the authorized capital stock of the Company consists of (a) 300,000,000 shares of Common Stock, of which (i) 150,935,137 shares are issued and outstanding, and (b) 71,564,863 shares are reserved for issuance upon the exercise or conversion, as the case may be, of outstanding options, warrants or other convertible securities; and (c) 5,000,000 shares of preferred stock, none of which, are outstanding or reserved for issuance upon the exercise or conversion, as the case may be, of outstanding options, warrants or other convertible securities. Except as disclosed in the Company SEC Documents and set forth in the Company's Articles of Incorporation, as amended and contemplated in the Transaction Documents, there are no anti-dilution or price adjustment provisions, co-sale rights, registration rights, rights of first refusal or other similar rights contained in the terms governing any outstanding security of the Company that will be triggered by the issuance of the Shares.

3.7 Valid Issuance of the Shares. The Shares will be duly and validly authorized and, when issued and paid for pursuant to this Agreement, will be validly issued, fully paid and non-assessable, and shall be free and clear of all encumbrances and restrictions (other than those created by the Investor), except for restrictions on transfer set forth in this Agreement or imposed by applicable securities laws.

3.8 Litigation. Except as set forth in the Company SEC Documents, there is no action, suit, proceeding nor investigation pending or, to the Company's knowledge, currently threatened against the Company that (a) if adversely determined would reasonably be expected to have a Material Adverse Effect or (b) would be required to be disclosed in the Company's Annual Report on Form 10-K under the requirements of Item 103 of Regulation S-K. The foregoing includes, without limitation, any action, suit, proceeding or investigation, pending or threatened, that questions the validity of this Agreement or the right of the Company to enter into such Agreement and perform its obligations hereunder. The Company is not subject to any injunction, judgment, decree or order of any court, regulatory body, arbitral panel, administrative agency or other government body.

3.9 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, local or provincial governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except for notices required or permitted to be filed with certain state and federal securities commissions, which notices will be filed on a timely basis.

3.10 No Material Changes. Except as disclosed in the Company SEC Documents and since December 31, 2015, there has not been any material change that has had a Material Adverse Effect.

3.11 Investment Company. The Company is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for an investment company, within the meaning of the Investment Company Act of 1940 and will not be deemed an "investment company" as a result of the transactions contemplated by this Agreement.

3.12 No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with the offer or sale of the Shares.

3.13 Placement Agent. The Company may retained registered broker-dealers as its placement agent ("*Selling Agent(s)*"). In general, any agreements entered into with Selling Agent(s) will be on a "best efforts" basis and the fees to be paid will be capped at 6% of the subscription attributable to the Selling Agent(s).

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF INVESTOR

4. Representations and Warranties of the Investor. The Investor hereby represents and warrants to the Company as follows

4.1 Organization, Authority. If the Investor is an entity, such Investor is a corporation, partnership, limited liability company or partnership, association, joint stock company, trust, unincorporated organization or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite corporate, partnership or other power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The purchase by such Investor of the Securities hereunder has been, to the extent such Investor is an entity, duly authorized by all necessary corporate, partnership or other action on the part of such Investor. This Agreement has been duly executed and delivered by such Investor and constitutes the valid and binding obligation of such Investor, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

4.2 Investment Representations. In connection with the sale and issuance of the Shares, the Investor, for itself and no other Investor, makes the following representations:

(a) Investment for Own Account. The Investor is acquiring the Shares for its own account, not as nominee or agent, and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act. The Investor has no present intention of selling, granting any participation in, or otherwise distributing the Shares. The Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation in any of the Shares to such person or to any third person.

(b) SEC Documents: Disclosure Materials. The Investor has received, read and fully understands the SEC Documents and the Disclosure Material. The Investor acknowledges that the Investor is basing its decision to invest in the Shares on the Disclosure Material and the exhibits thereto and has relied only on the information contained in said material and has not relied upon any representations made by any other person. The Investor recognizes that an investment in the Shares involves substantial risks and is fully cognizant of and understands all of the risk factors related to the purchase of the Shares, including but not limited to, those risks set forth in the section of the SEC Documents and Disclosure Materials entitled "RISK FACTORS."

(c) Investor Status. At the time such Investor was offered the Shares, it was, at the date hereof it is, and on the date which it exercises any Warrants it will be an "accredited investor" as defined in Rule 501(a) under the Securities Act or a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. Such Investor is not a registered broker dealer registered under Section 15(a) of the Exchange Act, or a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") or an entity engaged in the business of being a broker dealer. Such Investor is not affiliated with any broker dealer registered under Section 15(a) of the Exchange Act, or a member of FINRA or an entity engaged in the business of being a broker dealer.

(d) Representations and Reliance. The Investor understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein and in the Investor Suitability Questionnaire to determine the applicability of such exemptions and the suitability of the Investor to acquire the Shares. All information which the Investor has provided to the Company, including but not limited to all information given herein and in the Investor Suitability Questionnaire or otherwise, concerning itself, investor status, address, residence, financial position and knowledge and experience of financial and business matters are correct and complete, and that if there should be any material change in such information the Investor will immediately provide the Company with such information. The Investor will promptly notify the Company of any material fact or circumstance that would cause any of the foregoing representations to be untrue, incomplete, or misleading.

(e) Restricted Securities. The Investor understands that the Shares the Investor is purchasing are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Investor is familiar with Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. The Investor also acknowledges that the Company was a former "shell company" (as defined in Rule 12b-2 under the Exchange Act) and as such the Investor understands Rule 144 is not currently available for the sale of the Shares and may never be so available.

(f) Transfer Restrictions: Legends. The Investor understands that (i) the Shares have not been registered under the Securities Act; (ii) the Shares are being offered and sold pursuant to an exemption from registration, based in part upon the Company's reliance upon the statements and representations made by the Investor, and that the Shares must be held by the Investor indefinitely, and that the Investor must, therefore, bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration; and (iii) each Certificate representing the Shares will be endorsed with a legend substantially in the following form until the earlier of (1) such date as the Shares have been registered for resale by the Investor or (2) the date the Shares are eligible for sale under Rule 144.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. UNLESS SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(g) Limited Public Market. The Investor understands and acknowledges that there is only a limited public market for our Common Shares on the OTCQB, and which market is very volatile, and the Company has made no assurances that a broader or more active public trading market for our Common Shares will ever exist.

(h) No Transfer. The Investor covenants not to dispose of any of the Shares other than in conjunction with an effective registration statement under the Securities Act or in compliance with Rule 144 or pursuant to another exemption from registration or to an entity affiliated with the Investor and other than in compliance with the applicable securities regulations laws of any state.

(i) Investment Experience. Investor acknowledges that the Investor is able to bear the economic risk of the Investor's investment, including the complete loss thereof. The Investor has a preexisting personal or business relationship with the Company or one or more of its officers, directors or other persons in control of the Company, and the Investor has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares.

(j) Financial Sophistication: Due Diligence. The Investor has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in connection with the transactions contemplated in this Agreement. Such Investor has, in connection with its decision to purchase the Shares, relied only upon the representations and warranties contained herein and the information contained in the Company's SEC Documents. Further, the Investor has had such opportunity to obtain additional information and to ask questions of, and receive answers from, the Company, concerning the terms and conditions of the investment and the business and affairs of the Company, as the Investor considers necessary in order to form an investment decision.

(k) General Solicitation. The Investor is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over the television or radio or presented at any seminar or any other general solicitation or general advertisement. Prior to the time that the Investor was first contacted by the Company or either of the Agents such Investor had a pre-existing and substantial relationship with the Company or one of the Agents. The Investor will not issue any press release or other public statement with respect to the transactions contemplated by this Agreement without the prior written consent of the Company. Other than to other parties to this Agreement, the Investor has maintained and will continue to maintain the confidentiality of all disclosures made to Investor in connection with this transaction, including the existence and terms of this transaction.

4.3 No Investment, Tax or Legal Advice. The Investor understands that nothing in the Company SEC Documents, this Agreement, or any other materials presented to the Investor in connection with the purchase and sale of the Shares constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Shares.

4.4 Disclosure of Information. The Investor 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 Shares. The Investor has reviewed the documents publicly filed by the Company with the SEC and has read and understands the risk factors disclosed therein. The Investor has received all the information it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor is solely responsible for conducting its own due diligence investigation of the Company.

4.5 Additional Acknowledgement. The Investor acknowledges that it has independently evaluated the merits of the transactions contemplated by this Agreement, that it has independently determined to enter into the transactions contemplated hereby, that it is not relying on any advice from or evaluation by any other person. The Investor acknowledges that, if it is a client of an investment advisor registered with the SEC, the Investor has relied on such investment advisor in making its decision to purchase Shares pursuant hereto.

4.6 Subscription Rejection Right. The Investor acknowledges that the Company reserves the right to reject any subscription, to accept any subscription in part only, or to prorate subscriptions, to negotiate any checks or other tenders of payment for discrepant amounts and to refund the excess to the Investor if (a) the Investor is not an "accredited investor" or otherwise fails to meet the investor suitability requirements as set forth in the Investor Suitability Questionnaire, (b) fails to deliver payment of the Aggregate Purchase Price, or (c) fails to deliver the completed Investor Deliverables substantially in the form as reasonably acceptable to the Company.

4.7 No Short Position As of the date hereof, and from the date hereof through the date of the Closing Date, the Investor acknowledges and agrees that it does not and will not (between the date hereof and the Closing Date) engage in any short sale of the Company's voting stock or any other type of hedging transaction involving the Company's securities (including, without limitation, depositing shares of the Company's securities with a brokerage firm where such securities are made available by the broker to other customers of the firm for purposes of hedging or short selling the Company's securities).

**ARTICLE V
ADDITIONAL COVENANTS**

5. Additional Covenants.

5.1 Confidential Information. The Investor covenants that it will maintain in confidence the receipt and content of any information provided in connection with this Agreement until such information (a) becomes generally publicly available other than through a violation of this provision by the Investor or its agents or (b) is required to be disclosed in legal proceedings (such as by deposition, interrogatory, request for documents, subpoena, civil investigation demand, filing with any governmental authority or similar process); provided, however, that before making any disclosure in reliance on this Section 5.1, the Investor will give the Company at least 15 days prior written notice (or such shorter period as required by law) specifying the circumstances giving rise thereto and the Investor will furnish only that portion of the non-public information which is legally required and will exercise its best efforts to ensure that confidential treatment will be accorded any non-public information so furnished; provided, further, that notwithstanding, the Investor's agreement to keep such information confidential, the Investor makes no such acknowledgement that any such information is material, non-public information.

5.2 Transfer Restrictions. The Investor covenants that the Shares will only be disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with any applicable state securities laws. In connection with any transfer of Shares other than pursuant to an effective registration statement or to the Company, or at such time that the Shares may be sold without the requirement to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, the Company may require the transferor to provide to the Company an opinion of counsel selected by the transferor, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration under the Securities Act. The Investor agrees to the imprinting of the restrictive legend in substantially the form set forth in Section 4.2(f).

**ARTICLE VI
MISCELLANEOUS**

6. Miscellaneous.

6.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the choice of law provisions thereof, and the federal laws of the United States.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto.

6.3 Entire Agreement. This Agreement and the exhibits hereto, and the other documents delivered pursuant hereto, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.4 Severability. In the event any provision of this Agreement shall be invalid, illegal, or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.5 Amendment and Waiver. Except as otherwise provided herein, any term of this Agreement may be amended, modified, supplemented and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely), with the written consent of the Company and the holders of a majority of the Common Shares sold in this Offering. Any amendment or waiver effected in accordance with this paragraph will be binding upon each holder of any Shares purchased under this Agreement, each future holder of the Shares, and the Company.

6.6 Fees and Expenses. Except as otherwise set forth herein, the Company and the Investor shall bear their own expenses and legal fees incurred on their behalf with respect to this Agreement and the transactions contemplated hereby. Each party hereby agrees to indemnify and to hold harmless of and from any liability the other party for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which such indemnifying party or any of its employees or representatives are responsible.

6.7 Notices. All notices and other communications given or made pursuant to this Warrant Certificate shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the address indicated for such party in the Purchase Agreement, or at such other address as such party may designate by 10 days advance written notice to the other party given in the foregoing manner:

if to the Company, to:

Flux Power Holdings, Inc.
985 Poinsettia Avenue
Vista, California 92081
Fax (760) 741-3535
Attn: President

if to the Investor, at its address on the signature page to this Agreement.

6.8 Survival of Representations, Warranties and Agreements. Notwithstanding any investigation made by any party to this Agreement or by any of the Agents, all covenants, agreements, representations and warranties made by the Company and the Investor herein shall survive the execution of this Agreement, the delivery to the Investor of the Shares being purchased and the payment therefor, and a party's reliance on such representations and warranties shall not be affected by any investigation made by such party or any information developed thereby.

6.9 Counterparts. This Agreement may be executed by facsimile signature and in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

SUBSCRIPTION AGREEMENT SIGNATURE PAGE

In addition to the foregoing, Investor hereby certifies that it (a) agrees to all the terms and conditions of this Agreement, (b) meets the suitability standards set forth in this Agreement, and (c) is a resident of the state and jurisdiction indicated below.

Date: 5/5/16

Name of Investor:

Esenjay Investments, LLC
Entity Name (if any)

By: /s/ Michael Johnson
Name: Michael Johnson
Title: President

Address: _____

State of Principal Residence: _____

State of Incorporation/Organization: _____

EIN/Social Security Number: _____

Telephone No.: _____

Facsimile No.: _____

Email Address: _____

Number of Shares: 33,750,000

Aggregate Purchase Price : \$1,350,000

Delivery Instructions (if different than above):

c/o: _____

Address: _____

Telephone No.: _____

Facsimile No. : _____

Other Special Instructions: _____

SUBSCRIPTION ACCEPTED

Date: 5/5/2016

FLUX POWER HOLDINGS, INC.

By: /s/ Ronald Dutt
Name: Ronald Dutt
Title: Chief Executive Officer and Acting Chief
Financial Officer