

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): July 27, 2010

DATARAM CORPORATION

(Exact name of registrant as specified in charter)

New Jersey 1-8266 22-18314-09

State or other jurisdiction (Commission (IRS Employer
of incorporation File Number) Identification No.)

Route 571, P. O. Box 7258, Princeton, NJ 08543-7528

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (609) 799-0071

(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:

- 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))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

Item 2.03 Creation of a Direct Financial Obligation.

On July 27, 2010, the Company entered into a Loan and Security Agreement (the "Agreement") with Crestmark Capital Lending LLC ("Crestmark"), which provides for up to a \$5,000,000 revolving credit facility to the Company. The credit line is secured by a security interest in all of the Company's assets. Advances under the facility are limited to 80% of eligible accounts receivable, as more specifically defined in the Agreement. The Agreement does not have a fixed term. Crestmark may demand immediate repayment of all loans at any time, provided that if the Company is not in default under the Agreement it has ninety days to repay the amounts demanded. The Agreement provides for Prime Rate loans at an

interest rate equal to the Prime Rate plus two percent, subject to a minimum interest rate of five and one quarter percent; interest is payable monthly. The Company is required to pay a monthly maintenance fee equal to six-tenths of one percent (0.6%) of the monthly average principal balance of any borrowings under the facility in the prior month. The Agreement contains certain restrictive covenants, specifically a minimum tangible net worth covenant and certain other covenants, as more specifically defined in the Agreement. The Agreement also provides Crestmark with remedies upon the occurrence of an event of default.

Section 9 - Financial Statements and Exhibits.

Item 9.01. Exhibits.

10(a) Loan and Security Agreement, dated as of July 27, 2010, between Crestmark Capital Lending LLC and Dataram Corporation.

10(b) Schedule to Loan and Security Agreement, dated as of July 27, 2010, between Crestmark Capital Lending LLC and Dataram Corporation.

10(c) Promissory Note, dated as of July 27, 2010, from Dataram Corporation to Crestmark Capital Lending LLC.

SIGNATURE

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.

DATARAM CORPORATION

By: MARK MADDOCKS

Date: July 28, 2010 /s/ Mark Maddocks

Mark Maddocks, Vice President-Finance
and Chief Financial Officer

LOAN AND SECURITY AGREEMENT
("Agreement")

This Agreement dated July 27, 2010, is an agreement between CRESTMARK COMMERCIAL CAPITAL LENDING LLC, a Michigan limited liability company ("Crestmark"), and DATARAM CORPORATION, a New Jersey corporation ("Borrower"). In this Agreement, Crestmark and Borrower are collectively the "Parties". The Parties have the addresses shown on the schedule ("Schedule") which is attached to this Agreement. These are the addresses of the Parties for all purposes and may be changed by one party giving notice to the other party in writing of the new address.

1. PURPOSE. The purpose of this Agreement, including the Schedule, is to set forth the terms and conditions of the revolving loan from Crestmark to Borrower ("Loan") and the obligations of Borrower. The Schedule is part of this Agreement. The promissory note ("Note") to be signed by Borrower, any guaranty(s), and any other documents now or hereafter signed by any of the Parties in connection with this Agreement, the Loan or any document issued by Crestmark or the bank holding the lockbox ("Lockbox Bank"), including subordination agreements or intercreditor agreements, are also all part of this Agreement. All of the documents together are referred to collectively as the "Loan Documents".

2. LOAN; LOAN ADVANCES.

A. Any disbursement of money or advance of credit by Crestmark, including but not limited to amounts advanced for the payment of interest, fees, expenses and amounts necessary to protect, maintain and preserve Crestmark's Collateral under the Loan Documents ("Protective Disbursements"), is referred to collectively as an "Advance". Whether Crestmark makes an Advance is in Crestmark's sole discretion. If an Advance is made, it will be made in accordance with the advance formula set forth in the Schedule ("Advance Formula"); but not at any time to exceed the maximum amount set forth on the Schedule ("Maximum Amount"). Crestmark may choose to make Protective Disbursements in excess of the Maximum Amount or Advance Formula in its sole discretion. Each time Crestmark makes an Advance, including a Protective Disbursement, the Advance will be debited against an account in Borrower's name on Crestmark's books ("Loan Account"), and each payment will be credited against the Loan Account in the manner described in this Agreement.

B. The total amount Borrower owes to Crestmark will be the aggregate of the Advances made by Crestmark, the expenses and fees set forth in the Schedule and any and all costs incurred by Crestmark (including reasonable attorney's fees), and interest at the rate set forth in the Note on all amounts advanced less the aggregate amount paid by Borrower with respect to such Advances, expenses and fees, and costs (together with the outstanding balance of all other obligations of Borrower under the Loan Documents, the "Obligations").

C. Borrower must repay all Advances with respect to the Loan with interest, which is due monthly as specified in the Note, along with all other fees and expenses of Crestmark set forth herein or in the Schedule. Crestmark may in its sole discretion collect any Obligations due Crestmark by (i) directly applying any funds in the Lockbox Account, as defined in paragraph 5 below, to the Obligations (ii) directly applying funds from any reserve to the Obligations, (iii) collecting the Obligations directly from Borrower; or (d) otherwise collecting the Obligations. Borrower understands that all the Obligations are repayable at any time in full or in part upon demand by Crestmark pursuant to the Note. Crestmark may make demand for partial payments and such demand will not preclude Crestmark from demanding payment in full at any time.

D. Borrower must comply with its representations, promises, covenants and reporting requirements set forth in this Agreement, in the Schedule and in the other Loan Documents. Borrower's failure to do any of the foregoing is a default ("Default"). The demand nature of the Obligations is not modified by reference to a Default in this Agreement or the other Loan Documents and any reference to a Default is for the purpose of permitting Crestmark to exercise its remedies for Default, including charging interest at the Extra Rate provided in the Note.

E. The aggregate amount of all Advances, plus the expenses and

fees set forth in the Schedule, any and all costs incurred by Crestmark (including reasonable attorney's fees), and interest at the rate set forth in the Note on all amounts advanced (the "Loan Amount"), may not, at any time, exceed the Maximum Amount" or the Advance Formula, and Borrower understands that if at any time it should owe more to Crestmark than the lesser of the Maximum Amount or the Advance Formula it must repay that amount immediately, whether or not demand to repay the whole of the Obligations has been made. Protective Disbursements must be immediately repaid whether or not the lesser of the Maximum Amount or the Advance Formula has been exceeded.

3. RESERVES. If Crestmark believes in its sole discretion that the prospect for repayment of the Obligations is impaired or that its Collateral margin is insufficient, Crestmark may establish cash reserves and credit balances to protect its interests and the repayment of the Obligations. The reserve may be established by reducing the Advance Formula to achieve the target reserve level, withholding monies due Borrower from any payments Crestmark receives, from a cash payment from Borrower or any other method Crestmark chooses. Any money in a reserve account, whether or not it is a cash reserve, will not earn interest for Borrower, and Crestmark may apply the funds in the reserve account to reduce the Obligations at any time Crestmark elects.

4. FEES AND EXPENSES. In connection with the Loan there are several types of fees that may be charged and Borrower may be required to maintain a minimum Loan balance. Such fees and requirements are set forth in the Schedule. In addition, all out of pocket expenses of every kind incurred by Crestmark in connection with the Loan, any Advance, collection of the Obligations, inspection, and examination are to be paid by Borrower.

5. LOCKBOX. Borrower must immediately notify all persons who are obligated on accounts generated by the Borrower with customers domiciled in the United States and Canada that are not considered foreign account debtors by Crestmark for purposes of determining whether an account is an Eligible Account under this Agreement (such accounts, "Debtor Accounts" and such persons, collectively, a "Debtor") to remit all payments due Borrower to the lock box address or pursuant to the wire transfer or ACH instructions set forth in the Schedule (the "Lockbox Account"). The remit to address on all documents related to the Debtor Accounts, including invoices, purchase orders, or contracts ("Documents") must be the Lockbox Account. At Crestmark's request, all Documents must be marked by Borrower to show assignment to Crestmark, and Borrower must notify each Debtor by mail that the Debtor Account has been assigned to Crestmark and that all payments on the Debtor Account, whether made by mail or electronically or otherwise must be made payable to Borrower or Crestmark, at Crestmark's sole discretion, to the Lockbox Account or other address provided by Crestmark in writing. The language used in such notices shall be approved by Crestmark in writing. Crestmark may at any time and from time to time, and at its sole discretion, notify any Debtor or third party payee with respect to a Debtor Account to make payments payable directly to Crestmark or to notify Debtor of the assignment to Crestmark. All expenses for notification of each Debtor will be paid by Borrower. Borrower shall not be required to deposit payments received with respect to COD sales or accounts that are not Debtor Accounts into the Lockbox Account.

If notwithstanding the notice to Debtors, Borrower receives any funds from a Debtor, including any cash, checks, drafts or wire transfers from the collection, enforcement, sale or other disposition of a Debtor Account, whether derived in the ordinary course of business or not, Borrower shall hold such funds in trust for Crestmark, shall not mix such funds received with any other funds, and shall within two business days deposit such funds in the Lockbox Account. Crestmark will have sole possession and control over the Lockbox Account. The Lockbox Bank will process all deposits and Borrower has no right to the Lockbox Account, it belongs to Crestmark. Crestmark is the owner of all deposits in the Lockbox Account, and has no duty as to collection or protection of funds as long as it is not grossly negligent or commits actual fraud. All expenses plus any applicable administration and servicing fees of the Lockbox Account will be paid by Borrower.

6. LOAN ACCOUNT. All of the Obligations which are owed by Borrower will be shown in the Loan Account and Borrower will receive a monthly statement either by mail, electronically or via access to the Crestmark

online system at Crestmark's sole discretion. The statement is binding on Borrower unless Borrower provides a written objection to Crestmark (which may be provided by fax or e-mail) that is sent to Crestmark within twenty (20) business days of the time the statement is provided or made available to Borrower with notice to Borrower that such statement is available.

7. PAYMENTS. Should a check or other credit instrument not be collected after Borrower has been given credit for such payment, then the credit will be reversed and a fee charged at Crestmark's then standard rate. Crestmark, at its sole discretion, may establish reserves as set forth above or not apply a payment that it reasonably believes may be returned unpaid for any reason or disgorged due to a preference claim or garnishment, and in such event the Monthly Maintenance Fee (as defined in the Schedule) will still be payable. In the event that any payment received by Crestmark is sought to be recovered by or on behalf of the payer (including a trustee in bankruptcy or assignee for the benefit of creditors), then Borrower agrees to immediately reimburse Crestmark on demand for any amount so recovered and all of Crestmark's expenses in connection with any such proceeding, including reasonable attorneys fees. This provision shall survive termination of this Agreement. Any payments received by Crestmark shall be applied to the Obligations in whatever order Crestmark determines in its reasonable discretion.

8. SECURITY INTEREST.

A. Borrower grants to Crestmark a security interest in all of its assets, now existing or hereafter arising, wherever located including all Accounts, Goods, Inventory, Equipment, Chattel Paper, Instruments, Investment Property, specifically identified Commercial Tort Claims, Documents, Deposit Accounts, Letter of Credit Rights, General Intangibles, Contract Rights, customer lists, furniture and fixtures, books and records and supporting obligations for any of the foregoing, and all Proceeds of the foregoing (the "Collateral"), to secure repayment of the Obligations ("Security Interest"). The Collateral also includes all monies on deposit with Crestmark, or on deposit in the Lockbox Account. All capitalized terms used in this Section 8A which are not otherwise defined shall have the meanings assigned to them in the Uniform Commercial Code as adopted in the State of Michigan (the "UCC"). Without limiting the foregoing, "Accounts" will also mean and include any and all other forms of obligations now owed or hereafter arising or acquired by the Borrower evidencing any obligation for payment for goods of any kind, nature, or description sold or leased or services rendered, and all proceeds of any of the foregoing.

B. Borrower gives Crestmark all of the rights of a secured party under the UCC. Borrower grants Crestmark the authority to file all appropriate documentation for Crestmark to perfect its security interest in the Collateral, including a UCC-1 financing statement listing the Collateral as "All assets of the Debtor, now existing and hereafter arising, wherever located," or similar terms, as well as UCC-3 amendments as may be required from time to time. All expenses of Crestmark relating to searching, filing or protecting the Security Interest are part of the Obligations.

C. The Security Interest gives Crestmark rights with respect to the Collateral and the Security Interest and this Agreement imposes duties upon Borrower which relate to the Collateral. Some of the rights and duties are: (i) the right of Crestmark at any time after a Default that is not cured within the applicable cure period to notify any persons who may hold any part of the Collateral, such as Account Debtors and other debtors, of Crestmark's Security Interest. Borrower understands that Crestmark may verify Accounts with the Account Debtors; (ii) Borrower, after a default which is not cured within the applicable cure period, must cooperate with Crestmark in obtaining control of any Collateral in the possession of third persons, particularly Collateral consisting of deposit accounts, investment property, letter of credit rights or other Collateral which is evidenced by electronic entries; (iii) except for the right of Borrower to (I) sell its inventory in the ordinary course of business, (II) provide samples of its products to customers on a trial basis, and (III) move its inventory, equipment, and other assets between its business locations, Borrower shall not sell or transfer any of the Collateral or grant any other security interest in the Collateral, except as Crestmark may specifically agree to in writing. Borrower remains liable to perform all of its obligations with respect to the Collateral such as the recognition of any warranties in inventory sold and Crestmark is under no responsibility to

perform any of the obligations of Borrower; and (iv) Borrower must notify Crestmark immediately if it knows that any Account Debtor disputes an Account whether or not such disputes are deemed valid by Borrower.

9. **POWER OF ATTORNEY.** Borrower irrevocably appoints Crestmark, or any person(s) designated by Crestmark, as its attorney-in-fact, which appointment is coupled with an interest and shall remain in full force and effect until all Obligations of Borrower to Crestmark have been fully satisfied and discharged, with full power, at Borrower's sole expense, to exercise at any time in Crestmark's reasonable discretion all or any of the following powers:

A. Receive, take, endorse, assign, deliver, accept and deposit, in the name of Crestmark or Borrower, any and all cash, checks, commercial paper, drafts, remittances and other instruments and documents relating to the Collateral or the proceeds thereof.

B. Change Borrower's address on all invoices and statements of Account mailed or to be mailed to Borrower's customers and to substitute thereon the address designated by Crestmark, to place legends on all invoices and statements of Account mailed or to be mailed to Borrower's customers, and to receive and open all mail addressed to Borrower, or to Borrower's trade name at Crestmark's address, or any other designated address.

C. Upon and after the occurrence of a Default, to change the address for delivery of Borrower's mail to Crestmark's or an address designated by Crestmark. Borrower specifically authorizes Crestmark to sign any forms on behalf of Borrower to affect this change with the United States Postal Service or any third party and requests such change to be accepted.

D. Upon and after the occurrence of a Default that is not cured within the applicable cure period, to take or bring, in the name of Crestmark or Borrower, all steps, actions, suits or proceedings deemed by Crestmark necessary or desirable to effect collection of or other realization upon any Collateral.

E. Execute on behalf of Borrower any UCC-1 and/or UCC-3 Financing Statement(s) and/or any notices or other documents necessary or desirable to carry out the purpose and intent of this Agreement, and to do any and all things reasonably necessary and proper to carry out the purpose and intent of this Agreement.

F. Upon and after the occurrence of a Default that is not cured within the applicable cure period, to transfer any lockboxes belonging to Borrower to Crestmark at Crestmark's sole discretion.

G. Upon and after the occurrence of a Default that is not cured within the applicable cure period, to endorse and take any action with respect to bills of lading covering any inventory.

H. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, execute, file and serve, in its own name or in the name of Borrower, mechanics lien or similar notices, or claims under any payment or performance bond for the benefit of Borrower.

I. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, pay any sums necessary to discharge any lien or encumbrance on the Collateral, which sums shall be included as Obligations hereunder, and which sums shall accrue interest at the Extra Rate until paid in full.

10. **REPRESENTATIONS.** Borrower makes the following representations and warranties to Crestmark and such representations and warranties must be true at all times until the Obligations are paid in full. If Borrower learns that a representation and warranty once made is no longer true, it has the duty to immediately notify Crestmark in writing:

A. Borrower is in good standing under the laws of the state of its organization and is authorized to conduct business in any state that in conducts business. Borrower has the power and authority to enter into this Agreement, and the persons signing this Agreement and all persons who sign

any documents with Crestmark have the appropriate authority. Borrower's organization identification number, state of organization, and addresses where it conducts business are as shown on the Schedule.

B. Borrower's entry into the Loan Documents do not violate any agreement which Borrower has or which binds Borrower.

C. The Loan Documents are fully enforceable against Borrower and the Collateral.

D. Except as disclosed on the Schedule, there are no litigation or criminal charges pending or threatened against Borrower or Guarantor and neither Borrower nor Guarantor are in default of any order or judgment of any court or any governmental agency of any kind. There are no unsatisfied liens or judgments pending against Borrower in any jurisdiction except as shown on the Schedule.

E. The financial information furnished by Borrower to Crestmark has been prepared in accordance with generally accepted accounting principles, all financial statements are true and correct in all material respects, and any projections of the business operations of Borrower that have been given or will be given to Crestmark in the future will be based upon Borrower's reasonable assumptions and estimates.

F. Except for inventory that has been consigned to Borrower which is disclosed on Schedule 10F and disclosed after the date of this Agreement to Crestmark in writing, Borrower is the owner of all of the Collateral and there are no other liens or claims against the Collateral, except the Security Interest of Crestmark or as shown on the Schedule.

G. All of the Collateral is personal property and none of the Collateral will be permanently affixed to real estate.

H. Borrower has filed and will file all federal, state, local and foreign tax returns that it is required to file and has paid and will pay all taxes and all other governmental charges as they become due.

I. Borrower is able to pay its debts as they become due and has sufficient capital to carry on its business. Borrower's obligations under this Agreement and the Loan Documents, including the obligation to repay the Loan and the grant of the Security Interest, do not render Borrower insolvent.

J. Borrower only uses the fictitious names, d/b/a's, tradenames and tradestyles set forth on the Schedule (collectively the "Tradenames"), and Borrower certifies that all sales and any and all business done in the name of the Tradenames are the sales and business of Borrower. Any and all checks, remittances or other payments received in the name of any of the Tradenames are Borrower's sole and exclusive property, and are subject to Crestmark's security interest hereunder. Any and all authority given to Crestmark by Borrower in this Agreement or elsewhere to endorse Borrower's name on any checks, negotiable instruments or other remittances extends with equal and full force and effect to any checks, negotiable instruments, and other remittances received in the name of any Tradename.

K. All Accounts assigned to Crestmark by Borrower are and will at all times be bonafide accounts arising from the sale of inventory or providing services, and are not subject to discounts, deductions, allowances, contra items, offset or counterclaim and are free and clear of all encumbrances of any kind whatsoever, except (i) as disclosed to Crestmark in writing, and (ii) if such discount, deduction, allowance, contra item, offset, or counterclaim exceeds the greater of (A) \$20,000, or (B) 20% of the outstanding face amount of such Account, as approved by Crestmark in writing. Notwithstanding the foregoing, Borrower shall not be permitted to provide or allow any discount, deduction, allowance, contra item, offset, or counterclaim with respect to an Account if doing so would cause Borrower to be in default pursuant to Section 11(J) of this Agreement.

L. Borrower's assignment of any Accounts to Crestmark pursuant to this Agreement will not at any time violate any federal, state and/or local law, rule or regulation, court or other governmental order or decree or terms of any contract relating to such Accounts.

M. Borrower possesses all necessary trademarks, trade names, copyrights, patents, patent rights and licenses to conduct its business as now operated, without any known conflict with any trademarks, trade names, copyrights, patents and license rights of any other person or entity.

N. Borrower's legal name as of the date hereof as it appears in its official filing with its state of organization is as set forth in the opening paragraph of this Agreement. Borrower has not organized another entity or Tradename using Borrower's name or Tradename as set forth herein in any other jurisdiction.

O. As to all of Borrower's Inventory and Equipment:

i. The Inventory and Equipment are currently located only at the locations identified on the Schedule, or such other locations as consented to by Crestmark in writing;

ii. All Inventory is now and at all times hereafter shall be of good and merchantable quality, free from defects, except as disclosed to Crestmark in writing;

iii. The Inventory and Equipment are and shall remain free from all liens, claims, encumbrances, and security interests (except as held by Crestmark, and except as identified on the Schedule).

iv. The Inventory is not now stored with a bailee, warehouseman or similar party unless such party has entered into a waiver letter in form satisfactory to Crestmark.

11. BORROWER'S PROMISES. Borrower makes the following promises to Crestmark and these promises are effective until the Obligations are fully paid:

A. To pay all Obligations when due and perform all terms, conditions and obligations of the Loan Documents.

B. To permit Crestmark, or its representatives, upon prior written notice to Borrower, reasonable access to the Collateral on Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will pay the cost of Field Examinations as specified in the Schedule.

C. To notify Crestmark promptly of any litigation, administrative or tax proceeding or other action threatened or instituted against Borrower or Guarantor or its property, or of any other material matter which may adversely affect Borrower's financial condition.

D. To pay when due all taxes, assessments and governmental charges, provided that Borrower has the right to contest the same as long as any such proceedings will not result in a lien on any Collateral or it has a cash reserve with Crestmark in an amount as determined by Crestmark in its sole discretion.

E. To comply with the Financial Covenants described in the Schedule (if applicable).

F. Borrower will maintain such insurance covering Borrower's business and/or the property of the Account Debtors as is customary and adequate for businesses similar to the business of Borrower in an amount as is sufficient to compensate for reasonably foreseeable loss, and promptly pay all premiums with respect to the policies covering such insurance. Further, Borrower shall have Crestmark named as additional insured for such insurance.

G. To comply with all laws, ordinances and regulations or other requirements of any governmental authority or agency applicable to Borrower's business.

H. To maintain and preserve all Collateral in good repair, working order and condition, and with respect to accounts, pursue collections thereof.

I. To provide Crestmark with evidence of ownership of any

Collateral upon the request of Crestmark.

J. To maintain a Loan Amount balance which shall not exceed the sum of Eligible Collateral times the corresponding Advance Rate.

12. NEGATIVE COVENANTS. Borrower agrees until the Obligations are paid in full, it will not:

A. Change its state of organization or its name, or move its executive office or at any time adopt any assumed name without giving Crestmark at least 15 days prior written notice.

B. Declare or pay any dividend or make any other distribution with regard to its equity or purchase or retire any of its equity without Crestmark's prior written consent, provided if it is taxed as an S Corporation or other "pass through" entity, Borrower may prior to a Default distribute profits to its equity holders in an amount necessary to enable such holders to pay personal, state and federal taxes directly attributable to the profits earned by Borrower for such year.

C. Make any loan (excluding trade credit provided to customers in the ordinary course of business) or guaranty or assume any obligation or liability, whether as borrower, guarantor, surety, indemnitor or otherwise (a "Borrower Obligation") (i) that would result in or create a Default, or (ii) that together with all other existing Borrower Obligations would exceed the "Borrower Obligation Threshold" set forth in the Schedule, without Crestmark's prior written consent.

D. Enter into any transaction with its equity holders or any affiliates of Borrower except on terms at least as favorable as would be usual and customary in similar transactions if the person with whom the transaction is entered into was not related to Borrower.

E. Release, redeem, purchase, or acquire any of its equity interests without the prior written consent of Crestmark.

F. Default in the payment of any debt to any other person.

G. Suffer or permit any judgment, decree or order not fully covered by insurance to be entered against Borrower or a Guarantor, or permit or suffer any warrant or attachment to be filed against Borrower, any Guarantor, or against any property or asset of Borrower or Guarantor.

H. Sell any of the Collateral outside the normal course of its business without the prior written consent of Crestmark; provided, however, Borrower shall be permitted to sell furniture, fixtures, and equipment outside the normal course of its business without Crestmark's prior written consent provided that the aggregate total of any such sales does not exceed \$200,000 in any fiscal year.

I. Purchase the stock or assets of any other entity without the prior written consent of Crestmark.

13. FINANCIAL REPORTS. Borrower promises that until the Obligations are fully paid and this Agreement is terminated, it will keep its books and records in accordance with GAAP (as defined in the Schedule) and Crestmark will have the right at any time to verify any of the Collateral, documentation or books and records of Borrower in whatever manner and as often as Crestmark reasonably deems necessary. Borrower will permit Crestmark, or its representatives, access to the Collateral and Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will furnish to Crestmark the financial reports identified on the Schedule, certified in the manner specified in the Schedule. All financial reports will be prepared in accordance with GAAP and will be true and accurate in all material respects.

14. CRESTMARK'S REMEDIES. Notwithstanding anything in this Agreement to the contrary, Crestmark shall refrain from exercising its rights and remedies hereunder with respect to a Default until the expiration of the following cure periods: Borrower shall have (a) five (5) days after Borrower's receipt of written notice of the occurrence of a Default involving the payment of money to Crestmark to cure any such default, and (b) ten (10) days after Borrower's receipt of written notice of the

occurrence of a Default that does not involve the payment of money to Crestmark to cure any such default; provided, however, Borrower shall not have the right to cure any default arising from any fraud or other intentional misconduct committed by Borrower. Crestmark has all the remedies available at law or in equity (including those under the UCC) in the event of a Default that is not cured within the applicable cure period or if Borrower fails to pay the Obligations on demand, including but not limited to the following: to charge the Extra Rate; to notify Account Debtors to make the payments directly to Crestmark; to settle or compromise any disputed Account, sue on any Account and make any agreement to deal with the accounts as if it were the owner; to offset any of Borrower's or Guarantor's funds under the control of Crestmark against the Obligations; and to require Borrower to gather up the Collateral and make it available to Crestmark for Crestmark to conduct public or private UCC foreclosure sales. Subject to Borrower's rights in and to such intellectual property, Borrower grants to Crestmark a license or other right to use, without charge, Borrower's labels, patents, copyrights, trademarks, rights of use of any name, trade secrets, tradenames and advertising materials, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral, and Borrower's rights under all licenses and franchise agreements shall inure to Crestmark's benefit. If Crestmark should proceed against the Collateral and sell any of the Collateral on credit, Borrower will be credited on the Obligations only with the amount actually received by Crestmark and Borrower waives any and all provisions as to notice or a particular method of sale of any of the Collateral. Borrower will pay all expenses in connection with the assembly or sale of the Collateral. Crestmark does not have to incur its own expenses in realizing upon the Collateral, but all the expenses are for the account of Borrower. Borrower recognizes that at no time is Crestmark its agent in dealing with the Collateral, but Crestmark acts only in its own interest.

15. CUMULATIVE RIGHTS. Crestmark's rights and remedies under this Agreement and all other agreements shall be cumulative. Crestmark shall have all other rights and remedies not inconsistent herewith as provided under the UCC, by law, or in equity. No exercise by Crestmark of one right or remedy shall be deemed an election, and no waiver by Crestmark of any Default on Borrower's part shall be deemed a continuing waiver. No delay by Crestmark shall constitute a waiver, election or acquiescence by it.

16. LENDER ACTIONS. To the extent applicable law may impose duties on Crestmark to exercise remedies in a commercially reasonable manner, Borrower agrees that it is not commercially unreasonable for Crestmark: to fail to exercise remedies against any Collateral or any particular Account Debtor; to proceed against Account Debtors either directly or through collection agencies; to advertise disposition of Collateral through publications or media of general circulation; to hire professional auctioneers to dispose of Collateral; to dispose of Collateral in wholesale or retail markets; to disclaim warranties with respect to Collateral; or to obtain services of attorneys or other professionals. The foregoing is not an exhaustive list and nothing contained in the foregoing shall be construed to grant any rights to Borrower or to impose any duties on Crestmark that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16. Borrower agrees that under no circumstances is Crestmark the agent or representative of Borrower.

17. APPLICATION OF PROCEEDS. Once collection efforts are commenced by Crestmark, any proceeds of sale or disposition of Collateral may be applied by Crestmark first to expenses authorized by this Agreement, including Crestmark's reasonable attorneys' fees, which Borrower must pay, and the balance to payment of the Obligations in such manner as Crestmark may elect. Borrower and Guarantor remain liable for any deficiency.

18. NOTICES. Any notice required or permitted hereunder to the parties hereto will be deemed to have been duly given only if in writing and delivered by (a) certified U.S. mail, return receipt requested, postage prepaid, (b) a national overnight delivery service that provides a delivery receipt, with any service or delivery fee prepaid, (c) facsimile or e-mail transmission with confirmation of receipt, or (d) via hand delivery, to the address of the receiving party as set forth on the Schedule or such other address as may be specified by such party in a notice delivered to the other party in accordance with this Section. Notices shall be deemed delivered when received by the party being notified.

19. MISCELLANEOUS PROVISIONS.

A. This Agreement is binding upon and is for the benefit of Borrower and Crestmark, and their respective successors and assigns. However, under no circumstances may Borrower assign this Agreement or its rights and duties hereunder. Crestmark may assign this Agreement and its rights under the Loan Documents and Borrower will make payments to any such assignee if so directed.

B. Crestmark has the right at any time to assign, transfer, negotiate or sell participations in this Agreement or the Obligations or the rights of Crestmark hereunder. In connection with any assignment, and provided that any participant is subject to a commercially reasonable non-disclosure agreement which includes a provision that discloses to such participant that Borrower is a publicly traded corporation and that any information disclosed by Crestmark to such participant may be material non-public information. Borrower consents to disclosure of any and all books, records, files, Loan Documents and all other documents in the possession or under the control of Crestmark.

C. No delay or failure of Crestmark in exercising any right or remedy will affect such right or remedy. No delay or failure of Crestmark to demand strict adherence to the terms of this Agreement will be deemed to waive Crestmark's rights to demand such adherence at any time in the future.

D. The term "including" means "including, without limitation", and the term "includes" means "includes, without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall." The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined.

E. This Agreement and the other Loan Documents will be interpreted and determined under the laws of the State of Michigan without any regard to any conflict of laws provisions.

F. Borrower, at Crestmark's request, will make, execute and acknowledge any and all further instruments or agreements necessary to carry out the intent of this Agreement and the other Loan Documents.

G. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile or electronic mail to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

H. Neither Crestmark nor its affiliates directors, officers, agents, attorneys or employees are liable to Borrower or Guarantor or affiliates for any action taken or omitted by it or any of them under the Loan Documents except for such liability as may be imposed by law for gross negligence or actual fraud, and no claim shall be made by Borrower or Guarantor or any of Borrower's affiliated, directors, officers, agents, employees for any special or consequential damages or punitive damages arising out of, or related to the Loan Documents or the transactions between the Parties.

I. This Agreement and the other Loan Documents represent the complete Agreement between the parties with respect to the subject matter of this Agreement, and there are no promises, undertakings, representations or warranties by Crestmark relative to the subject matter of this Agreement not expressly set forth in this Agreement or the other Loan Documents. This Agreement and the other Loan Documents may be amended only in writing.

J. If any provision of this Agreement is in conflict with any law or statute or is otherwise unenforceable, then the provision will be deemed null and void only to the extent of such provision and the provision will be

deemed severable and the remainder of this Agreement shall be in full force and effect.

K. Any payment made to Crestmark by either Borrower or Guarantor which is subsequently invalidated, declared fraudulent or preferential or otherwise set aside under any bankruptcy, state, federal or equitable law, then to the extent of such invalidity such payment will be deemed not to have been made and the obligation will continue in full force and effect. This provision shall survive termination of this Agreement.

L. USA Patriot Act Notification - The following notification is provided to Borrower pursuant to Section 3265 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan or other extension of credit. We may ask for the name, address, date of birth, and other information that will allow us to identify all Borrowers, principals and owners. We may also ask to see your driver's license or other identifying documents.

20. INDEMNIFICATION. Borrower hereby agrees to indemnify, defend and hold Crestmark and its executive committees, parent affiliates, subsidiaries, agents, directors, officers, participants, employees, agents and their successors and assigns (collectively "Indemnified Parties") harmless against any and all liabilities of any kind, nature or description and damages whether they are direct, indirect or consequential, including attorney's fees and other professionals and experts incurred or suffered directly or indirectly by Indemnified Parties or asserted against Indemnified Parties by anyone whosoever, including Borrower, which arise out of the Loan Documents or the relationship and transaction between the Parties and which does not involve gross negligence or willful misconduct of such Indemnified Party. This provision shall survive the termination of this Agreement.

21. JOINT AND SEVERAL OBLIGATIONS. If more than one person or entity is named as Borrower in this Agreement, all Obligations, representations, warranties, covenants and indemnities of Borrower set forth herein and in the other Loan Documents shall be the joint and several obligations of such persons and/or entities.

22. JURISDICTION. BORROWER AND GUARANTOR AGREE THAT ANY ACTION TO ENFORCE BORROWER'S OR GUARANTOR'S OBLIGATIONS TO CRESTMARK SHALL BE PROSECUTED EITHER IN THE CIRCUIT COURT OF OAKLAND COUNTY MICHIGAN OR THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN (UNLESS CRESTMARK, IN ITS SOLE DISCRETION, ELECTS SOME OTHER JURISDICTION), AND BORROWER AND GUARANTOR SUBMIT TO THE JURISDICTION OF ANY SUCH COURT SELECTED BY CRESTMARK. BORROWER AND GUARANTOR WAIVE ANY AND ALL RIGHTS TO CONTEST THE JURISDICTION AND VENUE OF ANY ACTION BROUGHT IN THIS MATTER AND BORROWER AND GUARANTOR MAY BRING ANY ACTION AGAINST CRESTMARK ONLY IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND OR THE FEDERAL COURT OR THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN.

23. WAIVER. ALL PARTIES, INCLUDING BORROWER AND GUARANTOR EACH KNOWINGLY AND VOLUNTARILY WAIVE ANY CONSTITUTIONAL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, DISPUTE OR CONFLICT BETWEEN THE PARTIES OR UNDER THE LOAN DOCUMENTS AND AGREE THAT ANY LITIGATION SHALL BE HEARD BY A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY. BORROWER AND GUARANTOR ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO REVIEW THE EFFECT OF THIS PROVISION WITH COUNSEL OF THEIR CHOICE.

24. RELEASE. BORROWER AND GUARANTOR RELEASE AND FOREVER DISCHARGE CRESTMARK, ITS AFFILIATES, OFFICERS, AGENTS, EMPLOYEES AND DIRECTORS FROM ANY AND ALL CLAIMS OF ANY KIND WHATSOEVER FROM THE BEGINNING OF TIME TO DATE OF THIS AGREEMENT.

25. CONFIDENTIAL INFORMATION. Crestmark shall keep any proprietary or confidential information that it receives from or obtains regarding Borrower under or in connection with this Agreement strictly confidential using the procedures that such party uses to protect its own confidential

or proprietary information of a similar nature which procedures shall, in all cases, provide for at least a reasonable standard of care with respect to the protection of such information.

The parties have executed this Agreement as of the date and year first written above.

CRESTMARK:

BORROWER:

CRESTMARK COMMERCIAL
CAPITAL LENDING LLC

DATARAM CORPORATION

By: /s/ Patrick M. Haney

By: /s/ John H. Freeman

Patrick M. Haney, Group President

Print Name: John H. Freeman

Title: President & CEO

SCHEDULE TO LOAN AND SECURITY AGREEMENT
DATED: July 27, 2010

This Schedule is part of the Agreement between:

CRESTMARK COMMERCIAL CAPITAL LENDING LLC ("CRESTMARK")
726 HIGHLANDIA DRIVE
BATON ROUGE, LA 70810
ATTN: PATRICK HANEY, GROUP PRESIDENT
FACSIMILE #: (225) 293-7205

AND

DATARAM CORPORATION ("BORROWER")
186 PRINCETON ROAD
WEST WINDSOR, NJ 08550
ATTN: JOHN FREEMAN, CEO/PRESIDENT
FACSIMILE #: (609) 936-1689

The following paragraph numbers correspond to paragraph numbers contained in the Agreement.

2. LOAN; LOAN ADVANCES.

Advance Formula: Advances of the Loan may be measured against a percentage of Eligible Accounts.

The Loan Amount may not exceed an amount which is the lesser of:

- (a) Five Million Dollars (\$5,000,000.00) ("Maximum Amount"); or
- (b) Eighty percent (80%) of Eligible Accounts (the "Advance Formula").

Crestmark in its sole discretion may raise or lower any percentage advance rate with respect to the Advance Formula.

Eligible Accounts are accounts that arise in the ordinary course of business, are represented by an invoice, are presently due, are free from any dispute, are not from any parent, subsidiary or affiliate of Borrower, and are acceptable to Crestmark in its sole discretion. Excluded from Eligible Accounts are accounts that: (i) are more than 90 days from invoice date; (ii) with the exception of account debtors from Canada, are from a foreign account debtor; (iii) are from an account debtor on a bill and hold, guaranteed sale, C.O.D. sale, return sale of any kind, sale on approval, consignment or other conditional sale; (iv) are for tooling; (v) are contra accounts or are from an account debtor who is owed money by Borrower; or (vi) are in excess of twenty percent (20%) cross aging by dollar amount.

Crestmark will determine in its sole discretion whether any Collateral is eligible for an Advance, but no Collateral will be considered eligible unless the requirements set forth above are met. Regardless of whether any Collateral is eligible, it is still part of the Collateral securing the Obligations.

Prior to any request for an Advance Borrower must furnish to Crestmark invoices, credit memos, purchase orders, evidence of delivery, proof of shipment, timesheets or any other documents Crestmark requests, in its sole discretion, with respect to the Accounts that Borrower is tendering to Crestmark to support the Advance ("Account Documents"). Crestmark will endeavor to provide the requested Advance by the end of the next business day following the date it receives the request as long as the complete package of information for the request has been received by Crestmark by 3:00 p.m. Central Time on the date of the request for the Advance. All requests for funding will be subject to Crestmark's then standard fees for electronic funds transfer, wire transfers and check services.

Each time an Advance is made, the amount of the Obligations will be increased by the amount of the Advance. Three (3) business days ("Clearance Days") after checks, ACH or wire transfers or other credit instruments are applied to a specific invoice, Crestmark will credit the Loan Account with the net amount actually received. On the date a collection is applied to a specific invoice Borrower will receive immediate credit on such funds in determining availability for Advances.

When Crestmark receives a payment from an Account Debtor, it will attempt to apply it against the appropriate Account Debtor and invoice according to the Account Debtor's remittance advice. If it is not clear which Account Debtor or invoice the payment is to be applied against, Crestmark may contact Borrower or the payor for assistance.

4. FEES AND EXPENSES. The following fees will be paid by Borrower:

These Fees are in addition to the Fees set forth in the Note or elsewhere in the Agreement.

Misdirected Payment Fee: Borrower will pay Crestmark a misdirected payment fee in an amount equal to fifteen percent (15%) of the amount of any payment where said payment has been received by Borrower and not delivered in kind or the proceeds paid by Borrower to Crestmark within two (2) business days.

Monthly Maintenance Fee: Each month Borrower will pay Crestmark a monthly maintenance fee (the "Maintenance Fee") of six-tenths of one percent (0.6%) of the monthly average principal balance of the Loan outstanding from the preceding month as a maintenance fee commencing on the first (1st) day of the month following the initial Advance, and continuing on the first (1st) day of each month thereafter until this Agreement is terminated and Crestmark is repaid the Indebtedness in full, including any exit fee contained in the Note.

Exit Fee: Borrower may elect to prepay the Obligations and/or terminate the Agreement but only upon the payment of all Obligations including the following exit fee ("Exit Fee"), as liquidated damages and not as a penalty: Two percent (2%) of the Maximum Amount stated herein, if termination is requested more than thirty (30) days prior to the first anniversary date of this Note. Borrower shall not be responsible for the Exit Fee if it provides Crestmark with sixty (60) days written notice of its intent to terminate if Borrower in good faith believes that Crestmark has not made advances to Borrower when it is not in Default of its obligation under the Agreement or has not deemed acceptable a material amount of accounts that are not otherwise excluded from Eligible Accounts pursuant to paragraph 2 of the Schedule to the Agreement. After the first anniversary date hereof, the Exit Fee will be waived so long as Borrower notifies Crestmark in writing within thirty (30) days of Borrower's intention to terminate the Agreement.

5. LOCKBOX.

The Lockbox Account means:

Crestmark Capital
P.O. Box 41047
Baton Rouge, LA 70835

As long as this Lockbox Bank is used there will be no additional itemized lockbox charges to Borrower.

10. REPRESENTATIONS.

(A) Borrower's state of organization is New Jersey and its state organizational identification number is 3407220000.

(D) Ring Technology v. Add-On Computer Peripherals, LLC, Case No. 10-104(E.D. Texas).

(F) List Security Interests in the Collateral held by creditors other than Crestmark as Permitted Encumbrances:

VENDOR	PRODUCT	TYPICAL APPROXIMATE MONTHLY VALUE		RANGE
		VALUE	VALUE 7/27/2010	
Various Dynamic Access Memory Chips			\$50,000-	
Hynix (DRAMS)		\$72,000	\$300,000	

Sheerr
Memory, \$3,000,000-
LLC Finished Memory Modules, DRAMS \$3,000,000 \$4,500,000
Printed Circuit Boards
Misc. electronic components (eg. Capacitors, resistors)

(J) List Borrower's Tradenames:

Dataram
Micro Memory Bank
Sterling Memory
18004memory.com
memorystore.com

11. BORROWER'S PROMISES:

E. FINANCIAL COVENANTS: Borrower will maintain the following Financial Covenants, which will be tested on a quarterly basis:

A minimum Tangible Net Worth of at least Five Million Seven Hundred Thousand Dollars (\$5,700,000.00). "Tangible Net Worth" means, as of the date of determination, total assets less total liabilities less the sum of (i) the aggregate amount of non-trade Accounts Receivable, including Accounts Receivable from affiliated or related Persons but excluding any value added tax receivable; (ii) prepaid expenses; (iii) deposits; (iv) net leasehold improvements; (v) goodwill; and (vi) any other asset which would be treated as an intangible asset under GAAP, plus Subordinated Debt. "Subordinated Debt" means any and all indebtedness presently or in the future incurred by Borrower to any creditor of Borrower entering into a written subordination agreement with Crestmark.

All of the financial covenants in this Agreement shall be determined in accordance with GAAP, unless otherwise provided.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board that are applicable to the circumstances as of the date of determination and applied on a consistent basis.

13. FINANCIAL REPORTS.

Management Prepared Financial Statements: Borrower will deliver to Crestmark management prepared financial statements, balance sheets, and profit and loss statements for the quarter then ended, certified to by the president or chief financial officer of Borrower. Such reports will set forth the financial affairs and true condition of Borrower for such time period and will be delivered to Crestmark no later than forty five (45) days after the end of fiscal quarter.

Annual Financial Statements: Each year Borrower will deliver to Crestmark annual financial statements, cash flow statements, balance sheets, and profit and loss statements audited by a certified public accountant acceptable to Crestmark, all without exceptions. Such reports will set forth in detail Borrower's true condition as of the end of Borrower's fiscal year no later than ninety (90) days after the end of Borrower's fiscal years.

All financial statements are and will be prepared in accordance with GAAP applied on a consistent basis.

Accounts Receivable, Accounts Payable Aging and Inventory Reports: Borrower will furnish to Crestmark the following certified to by the president or chief financial officer of Borrower within the time periods set forth:

- (a) Accounts Receivable Reports: Monthly detailed Accounts Receivable Aging Reports no later than fifteen (15) days after the end of each month; and
- (b) Accounts Payable Reports: Monthly detailed Accounts Payable

Aging Reports due no later than Monday following the end of each week.

Tax Returns: Borrower will provide Crestmark with current annual tax returns prior to August 15 of each year or if an extension is filed, at the earlier of (a) filing, or (b) the extension deadline.

Field Examinations: Borrower will reimburse Crestmark for the costs to perform at least one field examination per year (frequency of field examinations to be determined in Crestmark's sole discretion) of Borrower's books and records, assets and liabilities, to be performed by Crestmark's inspector, whether a Crestmark officer or an independent party with all expenses (whether for a Crestmark employee or otherwise, together with all out of pocket expenses including, but not limited to, transportation, hotel, parking, and meals) paid by Borrower. Upon Default, the number of field examinations to be reimbursed by Borrower may be increased in Crestmark's sole discretion. Field examinations are performed for Crestmark's internal use and Crestmark has no obligation to provide Borrower with the results of the examination or copies of any reports or work papers in whole or in part. Borrower's reimbursement of field examinations will not exceed fifteen thousand dollars (\$15,000.00) per year.

Tax Deposit Evidence: Upon Crestmark's request, submit payroll summaries and evidence of tax payments together with copies of bank statements from which the funds are impounded.

Customer Lists: Upon Crestmark's request, Borrower will deliver to Crestmark detailed customer lists showing the customer's name, address, phone number and any other information Crestmark reasonably requests.

Projections: Upon Crestmark's request, Borrower shall deliver to Crestmark, financial projections including balance sheet, income statements, and statement of cash flows together with assumptions for the following year, broken down monthly.

Other Information: Upon Crestmark's request, Borrower will also deliver to Crestmark such other financial statements, financial reports, documentation, tax returns and other information as Crestmark requests from time to time.

18. NOTICES. Addresses for Notices are as set forth at the beginning of this Schedule.

CRESTMARK:

BORROWER:

CRESTMARK COMMERCIAL
CAPITAL LENDING LLC

DATARAM CORPORATION

By: /s/ Patrick M. Haney

By: /s/ John H. Freeman

Patrick M. Haney, Group President

Print Name: John H. Freeman

Title: President & CEO

PROMISSORY NOTE

Principal Amount \$5,000,000.00

Baton Rouge, Louisiana

Dated: July 27, 2010

This Promissory Note ("Note") is made by the Borrower who has signed this Note. The Borrower promises to pay to the order of CRESTMARK COMMERCIAL CAPITAL LENDING LLC, a Michigan limited liability company ("Crestmark"), ON DEMAND, the principal sum of Five Million Dollars (\$5,000,000) or the aggregate unpaid principal amount of all Advances made by Crestmark to Borrower under the Loan and Security Agreement ("Agreement") of even date between Borrower and Crestmark, plus interest, fees and expenses, as hereinafter provided. Any capitalized terms used in this Note, if not defined in this Note, will have the meanings assigned to such terms in the Agreement. Payment shall be made to Crestmark at its offices located at 726 Highlandia Drive, Baton Rouge, Louisiana 70810 or at such other place as Crestmark or the person that then holds this Note designates in writing, the principal amount set forth above or such lesser or greater amount as may then be due under the Agreement, plus interest, fees and expenses as hereinafter provided. All payments that are made must be made in lawful money of the United States of America in immediately available funds. Borrower does not have any right to offset, deduction, or counterclaim from the amount due.

This Note is referred to in and was delivered pursuant to the Agreement under which Advances, repayment and further Advances may be made from time to time, pursuant to and in accordance with the terms of the Agreement. Reference is made to the Agreement for additional terms relating to this Note and the security given for this Note.

The Borrower acknowledges that this Note matures upon issuance and that Crestmark, at any time and without reason, may demand that this Note be immediately paid in full or in part, provided that if Borrower is not in Default beyond the expiration of the applicable cure period at the time Crestmark demands payment or anytime thereafter, Borrower shall have ninety (90) days to find replacement financing or otherwise pay the Indebtedness in full. Notwithstanding anything contained herein the contrary, Crestmark may pursue all remedies under the Loan Documents and applicable law if there is an event of Default, subject to any applicable cure period, before or after demand for payment. The demand nature of this Note is not modified by reference to a Default in this Note or in the Agreement or other Loan Documents. To the extent that there is reference to a Default, such reference is for the purpose of permitting Crestmark to receive interest at the Extra Rate provided in this Note.

The outstanding principal balance of this Note will bear interest based upon a year of 360 days with interest being charged for each day the principal amount is outstanding including the date of actual payment. The interest rate will be a rate which is equal to two (2%) percentage points in excess of that rate shown in the Wall Street Journal as the prime rate (the "Effective Rate"). Interest on this Note will change with each change in the prime rate so published. If at any time Crestmark either abandons the use of the Wall Street Journal prime rate or the Wall Street Journal prime rate is no longer published, then Crestmark will establish a similar replacement rate in its sole discretion. Notwithstanding the foregoing, at no time will the Effective Rate be less than five and one-quarter (5.25%) percent per annum.

Borrower must pay interest on the principal amount which is outstanding each month in arrears commencing on the first day of the month following the funding of the transaction, and continuing on the first day of each month thereafter until the Obligations are fully paid. If the Agreement so provides, interest will also be payable at the same rate on all other sums constituting Obligations. If any payment is due on a day which Crestmark is not open for business, then payments will be made on the next business day. Payments will be applied in the manner provided in the Agreement. If Borrower at any time pays less than the amount then due, Crestmark may accept such payment, but the failure to pay the entire amount due is a Default. The (i) failure of Borrower to comply with the provisions of the Agreement or (ii) failure to pay the Obligations following demand will permit Crestmark to charge the Extra Rate. The "Extra Rate" shall mean the Effective Rate plus eight (8%) percent per annum.

Should Borrower make any payment by mail, the payment must be actually received by Crestmark before the payment is credited but payment is still subject to the Clearance Days as defined in the Schedule to the Agreement. Borrower assumes all risk resulting from non-delivery or delay, in delivery of any payment no matter how the payment is delivered.

If Borrower elects to prepay this Note and/or terminate the Agreement, Borrower may do so, but only upon payment of all the Obligations, including the Exit Fee set forth in the Schedule.

It is the intent of the parties that the rate of interest and other charges to Borrower under this Note shall be lawful; therefore, if for any reason the interest or other charges payable hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit Crestmark may lawfully charge Borrower, then the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be credited to the outstanding principal balance of this Note, or if no such amount is outstanding, refunded to Borrower.

Borrower waives any obligation of Crestmark to present this Note for payment or to give any notice of nonpayment or notice of protest and any other notices of any kind. The liability of the Borrower is absolute and unconditional, without regard to the liability of any other party.

If this Note is signed by two or more parties, the obligations and undertakings under this Note shall be that of all and any two or more jointly and also each severally.

DATARAM CORPORATION,
a New Jersey corporation

By: /s/ John H. Freeman

Print Name: John H. Freeman

Title: President & CEO